

## Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray

### Briefing for Iceland visit – 13-15 June 2023

#### PROGRAMME

##### Tuesday 13 June

Flight from Glasgow to Reykjavik (Keflavik airport) – Flight FI431 A driver will be waiting in the arrival hall, holding a sign with your name on it. Driver contact: <b>[Redacted]</b>	Departs Glasgow 14:25, arrives Reykjavik 15:45
Car from airport to hotel Radisson Blu 1919, Pósthússtræti 2, Reykjavik, 101, Iceland Google maps link: <a href="https://goo.gl/maps/ptCifDiitgpJz5kP9">https://goo.gl/maps/ptCifDiitgpJz5kP9</a>	Approximately 16:30- 17:15
Walk to Apotek restaurant Google maps link: <a href="https://goo.gl/maps/w47sQJ3ExxVq9J8G6">https://goo.gl/maps/w47sQJ3ExxVq9J8G6</a>	2-minute walk from hotel
Pre-brief over dinner with the Deputy British Deputy Ambassador to Iceland, <b>[Redacted]</b> <b>Briefing Note 1</b>	18:00

##### Wednesday 14 June

Walk to Harpa Hall Directions - <a href="https://goo.gl/maps/u1KZN7zxyuHGgkks8">https://goo.gl/maps/u1KZN7zxyuHGgkks8</a>	7-minute walk from hotel
Wellbeing Economy Forum <b>Briefing Note 2</b>	08:00-10:30
Walk to the Fossar investment contacts office building (Frikirkjuvegur)	5-minute walk from Harpa
Meeting with Icelandic finance contacts within their office building <b>Briefing Note 3</b>	11:00
Return to Harpa conference centre	
Lunch Katrín Jakobsdóttir, PM Iceland, will host a lunch with Mr Gray and the other keynote speakers. <b>Briefing note 4</b>	12:30 – 13:30
Bilateral meeting with Paulette Lenert, Deputy Prime Minister of Luxembourg <b>Briefing note 5</b>	13:45 – 14:10

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Bilateral meeting with Katrin Jakobsdóttir, Prime Minister of Iceland <b>Briefing note 6</b>	14:10 – 14:30
Walk to Ministry of Finance and Economics, Arnarhvol at Lindargata Directions - <a href="https://goo.gl/maps/XWNKuYaP1SedcYy36">https://goo.gl/maps/XWNKuYaP1SedcYy36</a>	5-minute walk
Bilateral meeting with Bjarni Benediktsson, Minister of Finance and Economic Affairs, Iceland <b>Briefing note 7</b>	15:00 – 15:30
Departure to the Geothermal Power Plant at Hellisheidi	15:45 30-40 min drive from Arnarhvoll, Ministry of Finance and Economics
Visit to Reykjavik Energy (OR) - Geothermal Powerplant <b>Briefing note 8</b>	Arrive 16:15, depart 17:15
Return to hotel	17:45
Walk to dinner venue Directions - <a href="https://goo.gl/maps/9vje9F7cYbvjCtJT6">https://goo.gl/maps/9vje9F7cYbvjCtJT6</a>	5 mins walk
Conference dinner: Gamla Bíó, Ingólfsstræti 2a, 101 Reykjavik. Google maps link: <a href="https://goo.gl/maps/m67GtGhoLcAxra3r9">https://goo.gl/maps/m67GtGhoLcAxra3r9</a>	19:00

### Thursday 15 June

Car from hotel to airport. The driver will pick you up from your hotel two hours and 15 min before departure.	Approximately 07:00-07:45
Flight from Keflavik to Glasgow – Flight FI430.	Flight departs Reykjavik 10:15, arrives in Glasgow 13:30

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**WELLBEING ECONOMY ICELAND TRIP – SCENE SETTER**

Starting from an already high baseline, recent years have seen a further intensification of our bilateral collaboration with Iceland. Evidenced by a steady flow of Ministerial visits in both directions and regular engagements at international fora, Scottish-Icelandic policy links now span from renewable energy and aquaculture to child protection (the Barnahus model) and peatland restoration.

Our strong partnership as co-founders of the WEGo network is illustrative of mutual appetite for tangible cooperation and largely overlapping policy priorities. Prime Minister Jakobsdóttir attended the first WEGo policy lab in May 2019 alongside the Former First Minister, as part of an Edinburgh visit and she has continued to take an active interest in the network and wellbeing economy, for example speaking at the WHO Europe Forum on Wellbeing Economy and Health in Copenhagen in March 2023. Iceland Government officials participate in regular WEGo policy labs and attended an in-person event in Glasgow in November 2022.

**[Redacted]**

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ICELAND COUNTRY PROFILE

**Population:** 376,248

**Capital city:** Reykjavik

**National Day:** 17 June (Inauguration of the Republic of Iceland in 1944. Union with Denmark terminated on 16 June 1944).

**Head of State:** President Guðni Thorlacius Jóhannesson (second term as president, elected in 2016 and re-elected in 2020).

**Head of Government:** Katrín Jakobsdóttir (Left-Green Party).

**Iceland in Scotland:** Kristín Hannesdóttir, Honorary Consul.

**Government composition:** Three party coalition consisting of the Left Green Movement, Independence Party (centre-right) and Progressive Party (centre).

**Parliament:** The *Althingi* is a unicameral 63-seat parliament with members elected for a 4-year term.

**Politics:**

- Incumbent left-right coalition increased its majority in September 2021 elections, due to centre-right Independence Party and 5 seat increase for the centrist Progressive Party. Despite good personal ratings, PM Jakobsdóttir Left-Green Movement lost 3 seats.
- The Independence Party is the traditional party of government in Iceland, it has been the most voted party in all but one (2009) parliamentary elections held since WWII.
- Recent polls suggest a **sharp decline in approval ratings for the current government** of Katrín Jakobsdóttir. The PM's Left-Green Movement is currently polling at 5.7% - the lowest in nine years. While the Independence Party still remains popular nationwide with 20.8% of votes, the combined support for the current coalition is far from the required 32-seat parliamentary majority. Meanwhile, the three largest opposition parties are gaining steady support. The Social Democratic Alliance has recently registered 28.4% of votes - the highest level in 14 years. The Pirate Party is polling at 14.7% and the Reform Party at 9.5%.

**Hot topics:**

- Prime Minister Katrín Jakobsdóttir and Denys Shmyhal, Prime Minister of Ukraine, signed an agreement during the summit of the Council of Europe held in May in Reykjavik which establishes a **register of damage caused by Russian aggression in Ukraine**. Most of the leaders of the Council of Europe summit have endorsed the register.
- Following a publication by the Ministry of Finance and Economic Affairs on **raising life expectancy**, as of 1 July, the Pension Fund for Icelandic State Employees will lower its benefits by 10%. Those already in receipt of their payments, will see a decrease of their entitlements by 4%.
- Support for a **referendum on Iceland resuming EU membership** negotiations and the membership itself **has increased to 59%** and 44% respectively. Last year, only 25% favoured joining the EU. The current level of support is the highest Iceland has seen.
- In April, the Icelandic Parliament passed a **highly controversial immigration bill** that will strip asylum seekers of access to basic services such as healthcare, housing and food allowances 30 days after their application for international protection has been rejected. The bill was hailed a violation of the UN Convention of Human Rights and the Rights of Children by key human rights organisations and continues to attract international criticism.

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#### **Recent Ministerial engagement with Iceland:**

- May 2023 – bilateral meeting with Ásmundur Einar Daðason, Iceland’s Minister of Education and Children at an Education Summit in Oslo.
- March 2023 – Cabinet Secretary Robertson’s bilateral meeting with Icelandic Ambassador to the UK Sturla Sigurjónsson
- February 2023 – Cabinet Secretary Robertson had a brush-by with Icelandic Minister for Foreign Affairs Þórdís Kolbrún R. Gylfadóttir at Arctic Frontiers in Norway.
- January 2023 - Cabinet Secretary Robertson and Cabinet Secretary Matheson met with the Icelandic Parliament’s Environment and Communications Committee in Edinburgh.
- October 2022 – Mr Robertson addressed the Arctic Circle Assembly and held bilateral meetings with Prime Minister Jakobsdóttir and Foreign Minister Gylfadóttir.

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### Briefing for Iceland visit – 13-15 June 2023

#### BRIEFING NOTE 1

#### Pre-brief Meeting with [Redacted] – British Deputy Ambassador to Iceland

<b>When</b>	<b>Tuesday, 13 June, 18:00</b>
<b>Where</b>	Apotek restaurant – meet [Redacted] at restaurant, a table is booked for 4 people.  Google maps link: <a href="https://goo.gl/maps/w47sQJ3ExxVq9J8G6">https://goo.gl/maps/w47sQJ3ExxVq9J8G6</a>
<b>Key messages</b>	<ul style="list-style-type: none"><li>• Interested in your take on current <b>political developments</b> in Icelandic politics.</li><li>• <b>Iceland is a close policy and cultural partner for Scotland.</b> We have seen a sharp increase in policy and knowledge exchange between our governments in recent months and hope this will steadily continue in to the future.</li><li>• <b>Collaboration on wellbeing economy policies</b> is illustrative of a wider like-mindedness of Scottish and Icelandic government.</li><li>• Thank you for your <b>Embassy's open and collaborative approach</b> to working with the Scottish Government.</li><li>• Interested in your <b>Embassy's current priorities</b> and how Scotland features in them.</li><li>• It is likely a Scottish Minister will attend the <b>Arctic Circle Assembly</b> again later this year. Officials will contact your Embassy team once we have a firmer plan.</li></ul>
<b>Who</b>	<b>[Redacted]</b> – British Deputy Ambassador to Iceland Mobile number: <b>[Redacted]</b>  See Annex B.
<b>Why</b>	A courtesy meeting with the Deputy Ambassador and an opportunity to hear about key political developments in Iceland and the state of UK-Icelandic relations. The Deputy Ambassador is familiar with our engagements in Iceland and especially SG's Arctic work.  The meeting also serves as an opportunity to thank the Deputy Ambassador for her Embassy's open and forthcoming approach to working with the Scottish Government. The most recent example pertains the joint organisation of an offshore wind-focussed visit to Reykjavik in April (more in Annex A) and stems from a direct and proactive approach from the Embassy.
<b>Official support</b>	Gary Gillespie, Chief Economist
<b>Dress code</b>	Business attire
<b>Media</b>	@UKinIceland
<b>Briefing contents</b>	<b>Annex A:</b> Summary/Discussion points <b>Annex B:</b> Biography

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ANNEX A

Summary/Discussion Points

**Political developments in Iceland**

- The current government consists of a three-party coalition – Left Green Movement, Independence Party (centre-right) and Progressive Party (centre).
- Recent polls suggest a sharp decline in approval ratings for the current government of Katrín Jakobsdóttir. The PM's Left-Green Movement is currently polling at 5.7%, the lowest since 2013 elections.
- Meanwhile, the three largest opposition parties are gaining steady support. The Social Democratic Alliance has recently registered 28.4% of votes - the highest level in 14 years. The Pirate Party is polling at 14.7% and the Reform Party at 9.5%.
- Support for a referendum on Iceland resuming EU membership negotiations (officially interrupted in 2015 at Iceland's request) and on EU membership itself has increased to 59% and 44% respectively. Last year, only 25% favoured joining the EU. The current level of support is the highest Iceland has seen.

*Ask: Does a shift in power seem inevitable? Or is there time for Ms Jakobsdóttir and her coalition to rebuild trust before next general elections scheduled in September 2025?*

*Ask: Is the hypothesis of resuming EU membership negotiations being seriously discussed in Iceland? Is it getting traction among political parties?*

**Offshore wind**

- **[Redacted]**
- Instead, Iceland is looking to position itself as pioneers of carbon capture solutions. The First Minister visited a carbon capture project (ORCA) during her visit to Iceland in 2021.

*Ask: Your Embassy has been working with the Icelandic authorities regarding offshore wind developments. What is the current state of play?*

*Offer: We have already shared our expertise with Iceland, including from the latest round of ScotWind during a study visit of the Icelandic Parliament's Environment Committee to Scotland in January and our officials' reciprocal visit to Iceland in April. Scotland has much to offer and Icelandic authorities have identified us a relevant case study to inform ongoing debate.*

**Council of Europe**

- Until the end of May 2023, Iceland held the presidency of the Council of Europe (CoE).
- Last month, Reykjavik played host to the 4<sup>th</sup> Summit of the CoE. Prime Minister Sunak addressed the conference and used his remarks to underline UKG's support for Ukraine and focus on tackling illegal migration (see scene-setter).
- In the margins of the conference, the Prime Minister held a number of bilaterals – including with the President of the European Court of Human Rights and EU Commission President Ursula von der Leyen – mainly focused on migration.
- Lord Ahmad – Minister of State for Foreign, Commonwealth & Development Affairs – addressed the conference too.

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- The key outcome of the summit was however the establishment of a Register of Damage, which will record and document evidence of damage, loss and injury caused by Russian aggression in Ukraine.

**Ask:** *Interested in your reflections on the Prime Minister's visit to Reykjavik and address at the Council of Europe summit last month. How was his speech received?*

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**ANNEX B**

**Biography**

**[Redacted]**

## Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray

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#### Briefing Note 2

#### Wellbeing Economy Forum

<b>What</b>	<p>The Icelandic Government are holding a 2-day international forum on conditions, experiences and outcomes for Sustainable Wellbeing Economy.</p> <p>Mr. Gray has been invited to deliver a speech and take part in a panel discussion, chaired by Gary Gillespie, during the morning session of the conference on Wednesday 14 June.</p>
<b>Where</b>	<p>Norðurljós at Harpa Concert Hall and Conference Centre Austurbakki 2, 101 Reykjavík, Iceland</p> <p>Google maps link: <a href="https://goo.gl/maps/ZUZ2iheCX7ur6ptUA">https://goo.gl/maps/ZUZ2iheCX7ur6ptUA</a></p>
<b>When</b>	<p>The Wellbeing Economy Forum will be held on Wednesday 14 – Thursday 15 June 2023. Mr Gray will attend for the morning session of the first day.</p>
<b>Key message(s)</b>	<ul style="list-style-type: none"><li>• The Scottish Government is committed to continuing Scotland’s international leadership in the transition to a wellbeing economy – an economy which is strong and resilient, and which works for people, not the other way round.</li><li>• As we transition to a wellbeing economy, we will use the powers we currently have to grow a fairer, greener economy, which meets the needs and aspirations of people, and where businesses across Scotland thrive and prosper.</li><li>• Iceland is one of Scotland’s closest partners and recent months have seen a further expansion of policy and knowledge exchange between our governments, which we strongly welcome.</li><li>• We value and welcome the continued collaboration between our governments, and other partners, in the Wellbeing Economy Governments group.</li></ul>
<b>Who</b>	<p>Hosted by: Katrin Jakobsdóttir, Prime Minister of Iceland</p> <p>Panelists:</p> <ul style="list-style-type: none"><li>• Mr. Neil Gray,</li><li>• Ms. Paulette Lenert, Deputy-Prime Minister and Minister of Health, Luxembourg,</li><li>• Dr Hans Kluge (World Health Organization),</li><li>• Lord Richard Layard (Centre for Economic Performance)</li></ul> <p>Panel chair: Gary Gillespie, Chief Economist, Scottish Government</p> <p>Alongside politicians and experts in this field, there will be representation at the forum from WEGo, OECD, World Health Organization, Action for Happiness and more.</p>

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	<p>Organizer contact:  <b>[Redacted]</b> Prime Minister’s Office</p>
<b>Why</b>	<p>An opportunity to engage internationally on wellbeing economy and to reinforce Scotland's profile, among an audience of international experts, as a leader in this area.</p> <p>Ministerial participation in the conference allows us to not only deepen Scottish-Icelandic collaboration on the wellbeing economy further, but also underline the extent to which the Icelandic government’s priorities are in line with the First Minister’s vision for Scotland set out in the “New leadership - A fresh start” prospectus.</p> <p>MiCase reference number: <b>[Redacted]</b></p>
<b>Supporting official</b>	<p><b>[Redacted]</b> Senior Economist  Gary Gillespie, Chief Economist  <b>[Redacted]</b> Private Secretary</p>
<b>Briefing contents</b>	<p><b>Annex A:</b> Programme  <b>Annex B:</b> Summary Page  <b>Annex C:</b> Biographies  <b>Annex D:</b> Speaking Note  <b>Annex E:</b> Panel Questions  <b>Annex F:</b> Top Lines:</p> <ul style="list-style-type: none"> <li>• Wellbeing Economy</li> <li>• Wellbeing Economy Monitor Dashboard</li> <li>• Wellbeing Economy Governments (WEGo) Network</li> <li>• National Performance Framework</li> </ul> <p><b>Annex G:</b> Wellbeing Economy Q&amp;A</p>
<b>Media handling</b>	<p>Comms advice has been put to the Minister separately and cleared.</p>
<b>Social media</b>	<p>Comms colleagues will draft a tweet to issue from @ScotGovEconomy account. This will be drawn from the speaking note once finalised and cleared.</p>

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#### ANNEX A

#### Programme

Walk to Harpa Hall Austurbakki 2, 101 Reykjavík, Iceland  Google maps link: <a href="https://goo.gl/maps/jLfvUViMMun2PXgC6">https://goo.gl/maps/jLfvUViMMun2PXgC6</a>	7 mins walk from hotel
Wellbeing Economy Forum – registration	08-08:30
Opening session: <ul style="list-style-type: none"><li>• Welcome by Prime Minister of Iceland</li><li>• <b>Keynote speech by Mr Gray</b></li><li>• Speech by Paulette Lenert, Deputy Prime Minister of Luxembourg</li><li>• Investing Wellbeing for Resilient and Sustainable Societies – Hans Kluge (WHO Regional Director for Europe)</li><li>• Wellbeing: Science and Policy – Lord Richard Layard</li><li>• <b>Surviving Governments – Institutionalising Wellbeing Panel Discussion (Mr. Gray on panel)</b>, chaired by Gary Gillespie</li></ul>	08:30 – 08:50 <b>08:50 – 09:05</b> 09:05 – 09:15  09:15 – 09:30  09:30 – 10:00 <b>10:00 – 10:30</b>
Coffee break – Mr. Gray to leave for meeting with finance contacts.	10:30-11:00

**Briefing for Iceland visit – 13-15 June 2023**

**ANNEX B**

**Summary Page**

**Background**

The two-day International Wellbeing and Sustainability Forum is being held by the Prime Minister's Office in cooperation with the Directorate of Health and the City of Reykjavík.

The Icelandic government has placed great emphasis on wellbeing and sustainability as part of its strategic plan to increase the quality of life of its citizens and future generations. The government has formulated wellbeing indicators and specific wellbeing priorities, as well as embarking on a journey to map out the road to sustainability with the publication of a green paper on sustainability and overall strategy later this year. Furthermore, Iceland has been an active member of the Wellbeing Economy Governments partnership along with Scotland, New Zealand, Wales, Finland, and Canada.

The aim of the Forum is to help raise awareness about the importance of these issues with the aim of taking steps towards an even stronger wellbeing society. The Forum is a place where friends and interested parties can come together to discuss and build networks for a more prosperous wellbeing economy.

**Role on the day**

You will be speaking as part of the opening session of the Forum, following a welcome by the Prime Minister, Katrin Jakobsdóttir. Speakers will be seated on the stage throughout the session.

You will deliver a 10-15 minute speech on wellbeing economy and sustainability. You will be followed by Paulette Lenert, Deputy Prime Minister and Minister of Health, Luxembourg, Hans Kluge (the WHO Regional Director for Europe) and Lord Richard Layard.

You will then take part in a panel discussion alongside the same speakers. This will last for approximately 30 minutes and be chaired by Gary Gillespie.

You will then leave to attend the bilateral meeting with the finance/investment bank contacts.

## Biographies

### **Katrín Jakobsdóttir, *Prime Minister of Iceland***



Katrín Jakobsdóttir is the Prime Minister of Iceland and the Leader of the Left-Green Movement. She joined the Left-Green Movement in 2002 and has been a member of the Icelandic parliament, Alþingi, for the Reykjavík North Constituency since 2007. She has been the leader of the Left-Green Movement since 2013, having served as the deputy leader from 2003. Katrín was Minister of Education, Science and Culture, as well as Minister for Nordic Cooperation, in the left-wing government of 2009–2013. Katrín is Iceland's second female Prime Minister and is the first elected head of state who comes from a new breed of Nordic left-wing parties that link democratic socialism, environmentalism, feminism and anti-militarism.

Katrín governs in a coalition with the conservative Independence Party and the centrist Progressive Party.

### **Paulette Lenert, *Deputy Prime Minister and Minister of Health, Luxembourg***



Paulette Lenert is Deputy Prime Minister, Minister of Health, Minister for Consumer Protection and Minister Delegate for Social Security in Luxembourg. Following the legislative elections in 2018, Paulette Lenert joined the government as Minister for Cooperation and Humanitarian Action and Minister for Consumer Protection. In February 2020, Paulette Lenert was appointed Minister of Health as well as Minister Delegate for Social Security. Additionally, as a result of a cabinet reshuffle in January 2022, Paulette Lenert was nominated Deputy Prime Minister.

In her position as Minister of Health, Paulette Lenert believes in equitable access to healthcare for all and opposes the privatisation of the healthcare system.

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#### Dr. Hans Kluge, *WHO Regional Director for Europe*



Dr Hans Henri P. Kluge of Belgium embarked on his role as WHO Regional Director for Europe on February 1, 2020, shortly before COVID-19 was declared a global pandemic. Since then, he and his team have led WHO's response to this health emergency across 53 countries encompassing Europe and Central Asia. Lessons learnt from the crisis, along with other key health priorities, are encapsulated in the WHO European Programme of Work, which reflects a dual track approach to health: Preparing better for mounting health emergencies even as countries strengthen essential health systems and services including for non-communicable diseases. In his current role, Dr Kluge advocates all the more strongly with governments and funders for health systems strengthening, prioritizing primary health care as a cornerstone of public health. "For me, universal health coverage is more than a slogan," he says. "Strategic, practical investments, grounded in human rights and propelled by political will, can transform societies and countries – accelerating the achievement of health for all."

#### Lord Richard Layard, *Director of the Centre for Economic Performance*



Richard Layard is the founder-Director of the Centre for Economic Performance - a leading inter-disciplinary research centre at the London School of Economics. He is currently co-Director of their Community Wellbeing programme.

Richard is an economist who thinks there is more to happiness than just the economy. In 2005 he wrote the best-selling book *Happiness: Lessons from a New Science*, translated into 20 languages.

He has had huge influence on making psychological therapy more widely available in Britain's National Health Service, and in 2014 co-authored *Thrive* on how we can secure a better deal for mental health. In 2018 he co-authored *The Origins of Happiness* – an analysis of what determines our happiness, based on a range of longitudinal datasets.

Richard's latest book *Can we be happier? The evidence and ethics for better lives* explores how teachers, managers, health professionals, couples, community

leaders, economists, scientists, politicians, and we as individuals can create a happier world.

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**ANNEX D**

**Speaking Note**

Sent separately.

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**ANNEX E**

**Panel Discussion**

**Session: Mainstreaming Wellbeing Economy – How to Build Alliances?**

Chair of Panel: Gary Gillespie, Chief Economist, Scottish Government

Panelists:

- Katrin Jakobsdóttir, Prime Minister of Iceland
- Mr. Neil Gray,
- Ms. Paulette Lenert, Deputy-Prime Minister and Minister of Health, Luxembourg,
- Dr Hans Kluge (World Health Organization),
- Lord Richard Layard (Centre for Economic Performance)

Gary will ask opening and closing questions of all panel members. He will direct specific questions to each panel member. If there is time, there may be some questions from audience members.

Panelists will be seated on stage throughout the session.

**Opening Questions (all panel members):**

- Does a focus on wellbeing and wellbeing economy provide an over-arching objective for a country, region or organisation that brings people together?
- Does it matter how we refer to or define Wellbeing Economy?
- From your perspective or organisation, what is the single most important approach or recommendations you have for building momentum or support for transitioning to a Wellbeing Economy?

**Possible questions for Mr. Neil Gray:**

- Your Cabinet Secretary title refers specifically to Wellbeing Economy alongside Fair Work and Energy – what do you believe is the importance of having that in your title and how has it been received externally?
- Can you tell us how you are mainstreaming this approach in Scotland, your engagement with the business community and the extent to which there is cross party political support for this approach?

**Closing Questions (all panel members):**

- How will we know what success looks like?
- What is your take-away from today's discussion?

## Top Lines

### Wellbeing Economy

**As we transition to a wellbeing economy, we will use the powers we currently have to grow a fairer, greener economy, which meets the needs and aspirations of people, and where businesses across Scotland thrive and prosper.**

- Our transition to a wellbeing economy requires us to think differently about the economy – it is not simply grow first, redistribute and clean up later, but a model that is equitable, sustainable and dynamic from the outset.
- Our leadership in forming the Wellbeing Economy Governments (WEGo) group and delivering the National Strategy for Economic Transformation, harnessing the opportunities of the net zero transition and tackling structural inequalities, sets us on a path to a fairer, greener, more prosperous country.
- Our Wellbeing Economy Toolkit provides a guide for local authorities to support economic development across Scotland's communities and regions, based on Scotland's National Outcomes
- Our policies on Community Wealth Building, Just Transition plans, the Circular Economy Bill, Fair Work plans, the Scottish National Investment Bank, Land Reform Bill, and the Scottish Child Payment are some examples of our wellbeing economy transition in practice.
- Independence would allow Scotland to make greater progress, but, until then, we call for the devolution of additional powers - in relation to energy, the economy and employment law - to the Scottish Parliament to support Scotland's transition to a wellbeing economy.

**The Scottish Government is committed to continuing Scotland's international leadership in the transition to a wellbeing economy – an economy which is strong and resilient, and which works for people, not the other way round.**

- A net zero, nature positive, wellbeing economy serves people first and is based on the principles of prosperity, equality, sustainability and resilience for current and future generations.
- The First Minister's policy prospectus sets out three interlinked missions of tackling poverty; prioritising public services; and seizing the opportunities of net zero to grow a fairer, greener economy, as we transition to a wellbeing economy.,
- Whilst we are bound to a failed UK economic model and do not hold all the financial levers needed, we will use all the powers we do have to build a fair, green and growing economy which meets the needs and aspirations of people.
- We will help business and trade to thrive and support economic growth for a purpose to drive improved living standards, promote wellbeing, reduce poverty, and deliver sustainable high quality public services.
- Going beyond a traditional understanding of the economy that focuses on GDP in isolation, a wellbeing economy allows people to fulfil their potential and includes things like health, equality, fair work and the environment.
- What we measure matters. We have published a Wellbeing Economy Monitor to track broader outcomes beyond GDP on issues such as health, equality, fair work and the environment. It will be published at least once a year and will help to assess Scotland's progress in building a wellbeing economy.

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Wellbeing Economy Monitor Dashboard

Progress on the wellbeing economy: June 2023

**Summary of progress**

For the 14 indicators included in the national Wellbeing Economy Monitor, performance has been improving for six of the indicators, maintaining for six and worsening for two.

**Improving indicators:** greenhouse gas emissions; the percentage of employees earning below the real living wage; active travel (which includes walking and cycling); the percentage of adults with low or no qualifications; community ownership of assets; and income inequality. This assessment of income inequality has not yet been made public.

**Maintaining indicators:** biodiversity; young people’s participation in education, training or employment; relative poverty; child poverty; the gender pay gap; and investment as a share of GDP.

**Worsening indicators:** wealth inequality and preventable deaths. Wealth inequality increased between 2016-18 and 2018-20, however it has been broadly stable since 2006-2008 (when data collection began). For preventable deaths, if COVID-19 deaths are excluded, the rate has remained broadly stable over the last few years.

Worsening	Maintaining	Improving
Wealth inequality	Biodiversity	Greenhouse gas emissions
Preventable deaths	Young people's participation	Employees earning below the real living wage
	Relative poverty	Active travel
	Gender pay gap	Low educational attainment
	Child poverty	Income inequality
	Investment	Community ownership

**New data** which we can use to make updated performance assessments has become available for several indicators since the publication of the December 2022 national WEM update. An updated performance assessment has not been provided in the table above for the active travel indicator due to the incomparability of recent annual data, nor for the biodiversity indicator because data for only 2 of the 3 elements of the composite indicator have been updated.

- **Relative poverty** after housing costs affected 21% of the population in 2019-2022. It has been stable since 2015-18.
- **Child poverty** (or the proportion of children living in combined low income and material deprivation after housing costs) was 11% in 2019-22. The long-term trend has been broadly stable.
- **Income inequality** has been decreasing since the most recent high in 2015-18. In 2019-22, the top ten percent of the population had 18% more income (before housing costs) than the bottom forty.
- **The gender pay gap** in weekly earnings slightly increased from 10.3% in 2021 to 10.9% in 2022. The gender pay gap in 2020 of 10.0% was the lowest reported since data collection began in 1997.
- **Investment as a share of GDP** slightly decreased from 18.6% in 2021 to 18.4% in 2022. The rate in 2021 was the highest since 2007. Investment as a share of GDP has been persistently lower in Scotland than in most of our comparator countries.
- **Biodiversity** in terms of terrestrial species abundance increased by 2% in 2019, however marine species abundance declined by 8%. The most recent available data for terrestrial occupancy is for 2016. Since 1994, terrestrial occupancy has increased (+24%), terrestrial abundance has been broadly stable (up 1%), and marine abundance has fallen by 41%.
- **Active travel** – In 2021, 56.2% of journeys under two miles were on foot and 2.8% of journeys under five miles were by bicycle.

Briefing for Iceland visit – 13-15 June 2023

Wellbeing Economy Governments (WEGo) Network

**BACKGROUND**

- Membership was launched in 2018 by the Scottish, New Zealand, and Icelandic governments at the OECD World Forum. Wales and Finland joined the group in 2020.
- The Canadian Government has been actively engaging with the group since 2020 and has been invited to formally join the network.

**TOP LINES**

**The group of Wellbeing Economy Governments (WEGo) seeks to promote sharing of expertise and transferable economic policy practices to deliver societal wellbeing.**

- Scotland is leading the wellbeing economy agenda on the international stage and we are founding members of, and provide the secretariat for, the Wellbeing Economy Government network (WEGo),
- Member countries work together to learn from experiences in other governments and gather perspectives and expertise.
- Members include the governments of Iceland, New Zealand, Wales and Finland, with Canada closely involved.
- The group will continue to work with organisations like the OECD to build further connections and promote a wellbeing economy approach internationally.
- The network aims to collaborate in pursuit of innovative policy approaches, foster partnership and cooperation to identify approaches to delivering wellbeing, and address the pressing economic, social and environmental challenges of our time

**The Economic Policy Labs are the main vehicle through which officials from respective governments share experience and expertise.**

- The group hosted their first series of economic policy labs in Edinburgh in May 2019. Since 2020, these have been held virtually roughly every quarter.
- Discussions have touched on a wide range of topics including wellbeing measurements and frameworks, child poverty and wellbeing, just transition and green and inclusive recoveries from COVID-19.
- An in person WEGo event was held in Glasgow in November 2022 with representatives from all the WEGo countries and the OECD. The network discussed ongoing work on wellbeing economy in the member governments and plans for the future of WEGo.
- A series of policy labs is in progress for 2023 and the Government of Iceland are holding an international conference on wellbeing economy in June, with WEGo members in attendance.

**The Then First Minister of Scotland, the First Minister of Wales, the Prime Minister of Iceland and the Climate Change Ambassador of New Zealand met at COP26 and reaffirmed their commitment to a wellbeing economy**

- They pledged their commitment to the transition to a wellbeing economy, which should be intertwined with action to address the global climate emergency.
- They agreed to continue the dialogue and partnership between their respective governments on putting the wellbeing economy into practice, and to foster engagement with young people as part of the work of the network.

**Briefing for Iceland visit – 13-15 June 2023**

**National Performance Framework**

**Background**

- The National Performance Framework is Scotland’s wellbeing framework.
- The NPF provides a clear long-term purpose and set of improved outcomes for Scotland’s future wellbeing that we all want to see, beyond important but narrow economic measures of success.
- It combines measurement of how well Scotland is doing in economic terms with a broader range of wellbeing measures. These indicators incorporate a range of different types of data – from social attitudes and perceptions to economic and environmental statistics – to paint a broad picture of Scotland’s performance.
- It recognises that Government on its own cannot deliver those broad societal outcomes, and that it requires all of us from all sectors - public, private and third – and as individuals to take this work forward.
- The NPF provides a framework for collaboration and planning of policy and services across the whole spectrum of Scotland’s civic society, including public and private sectors, voluntary organisations, businesses and communities. It is based on achieving outcomes that improve the quality of life for the people of Scotland.
- The NPF is a framework that helps us understand, publicly and transparently, the progress we are making as a nation towards realising our long-term vision. Its data helps us understand the challenges in achieving our outcomes and to focus policies, services and resources on tackling those challenges.

**National Outcomes**

- The National Outcomes are for everyone. They show the type of country we want to be.
- The National Outcomes were decided in consultation with communities in Scotland through the last review process in 2018.
- Ministers are required by statute to review the National Outcomes within five years of their previous publication. We are preparing the next Review of the National Outcomes, set to start its public engagement in early 2023 and conclude during term 3 of Parliament (2023/24).
- There are currently 11 Outcomes – these are that people:
  - grow up loved, safe and respected so that they realise their full potential (CHILDREN)
  - live in communities that are inclusive, empowered, resilient and safe (COMMUNITIES)
  - are creative and their vibrant and diverse cultures are expressed and enjoyed widely (CULTURE)
  - have a globally competitive, entrepreneurial, inclusive and sustainable economy (ECONOMY)
  - are well educated, skilled and able to contribute to society (EDUCATION)
  - value, enjoy, protect and enhance their environment (ENVIRONMENT)
  - have thriving and innovative businesses, with quality jobs and fair work for everyone (BUSINESS AND FAIR WORK)
  - are healthy and active (HEALTH)
  - respect, protect and fulfil human rights and live free from discrimination (HUMAN RIGHTS)
  - are open, connected and make a positive contribution internationally (INTERNATIONAL)
  - tackle poverty by sharing opportunities, wealth and power more equally (POVERTY)

**Briefing for Iceland visit – 13-15 June 2023**

**Community Wealth Building**

**Top Lines**

- We have embraced the internationally recognised Community Wealth Building (CWB) approach to economic development as a tool to transform local and regional economies.
- CWB is the practical means by which we can achieve our wellbeing economy vision, outlined in NSET, by fundamentally transforming what our economy is for and how it operates.
- Community Wealth Building can deliver more and better jobs, business growth, community-owned assets and shorter supply chains supporting net zero ambitions.
- The 2021-22 Programme for Government confirmed our plans to introduce legislation on Community Wealth Building during this Parliamentary session.
- We recently launched a consultation inviting views on the changes that are required to grow local wealth and give communities a greater stake in the economy.
- This consultation is the opportunity for all interested stakeholders to participate in shaping the content of legislation on Community Wealth Building.
- We welcome views on areas in which the law could be changed (which are not already covered in the proposals for the Land Reform Bill) to advance the land and property pillar of CWB.

**Background**

- To support the development of legislation we have established a CWB Bill Steering Group, which I chair (Minister for Public Finance, Planning and Community Wealth), with representatives from pilot areas and key stakeholders across the public, private and third sectors, to provide oversight as we develop legislative proposals.
- The 2022-23 PfG outlined a commitment to hold a consultation on CWB legislation.
- Whilst local and regional progress in implementing CWB approaches is notable, the Scottish Government's ambition is to go further and faster in embedding CWB as a core economic development measure across Scotland as part of wider economic system change to create a wellbeing economy.
- The consultation paper outlines that legislation is designed to solidify gains and build on activity already underway in Scotland by providing an enabling context to accelerate the implementation of Community Wealth Building.
- It contains an ambitious proposal for a duty to advance CWB and invites wider proposals on legislative and other action required to accelerate the implementation of the model and its five pillars (spending, workforce, land and property, inclusive ownership and finance).
- Whilst we are committed to doing all we can to progress CWB within devolved powers, the consultation paper also invites feedback on reserved areas respondents would like us to work with the UK Government on where there is potential to accelerate the implementation of CWB.
- The commitment to legislation is part of a wider package of work to further Community Wealth Building in Scotland, including practice and policy.

***Land and Property Pillar***

- Pillar definition: Growing social, ecological, financial and economic value that local communities gain from land and property assets.
- Overview of activity: Productive use of anchor organisation land and property, for example through diversified ownership models including community ownership, and tackling vacant and derelict land and buildings.
- What this will achieve: Land and property are used for the common good and benefit communities, SMEs and micro-businesses and the environment.

Wellbeing Economy Q&A

**Q. From your perspective or organisation, what is the single most important approach or recommendations you have for building momentum or supporting the transition to a Wellbeing Economy?**

- Wellbeing is an explicit part of our national purpose as a country, underpinning the National Performance Framework - Scotland's Wellbeing Framework.
- The principles of a wellbeing economy cannot be achieved through simply redistributing wealth, they need to be hard-wired into everything we do in our economic strategy.
- The economy is everybody's business – from health and care to education, and from housing and energy to food and agriculture – requiring a joined-up focus across government at all levels, across all sectors of the economy and all parts of society.
- Reorienting the economy to prioritise wellbeing requires us to think differently – it is not simply grow first, redistribute and clean up later, but a model that is sustainable, equitable and dynamic from the outset, which will build resilience and prosperity for current and future generations.

**Q. Does it matter how we refer to or define Wellbeing Economy?**

- As the Scottish Government's first Wellbeing Economy Secretary, I'm often asked what exactly is meant by the term "wellbeing economy"
- It is an approach to growing our economy focusing on people and planet rather than profits
- It is about creating conditions for business and trade to thrive and maximising the opportunities of net zero to grow a fairer, greener economy.
- It takes us beyond measuring economic success solely by Gross Domestic Product, and looks at the wellbeing of people and communities – things like health, equality, fair work and the environment, while growing the economy at the same time.

**Q. Can you tell us how you are mainstreaming this approach in Scotland, your engagement with the business community and the extent to which there is cross-party political support for this approach?**

- The Scottish Government is committed to continuing Scotland's international leadership in the transition to a wellbeing economy
- We are proud to be a founding member of WEGo and work with colleagues in Iceland, New Zealand, Wales, Finland and, increasingly, Canada to cooperate and learn from each other.
- We value the interactions we have with WEAll, the OECD and WHO and other likeminded organisations.
- Wellbeing is an explicit part of our national purpose as a country, underpinning the National Performance Framework - Scotland's Wellbeing Framework.
- The National Outcomes were decided in consultation with communities in Scotland through the last review process in 2018.
- The NPF recognises that Government on its own cannot deliver those broad societal outcomes, and that it requires all of us from all sectors - public, private and third – and as individuals to take this work forward.

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- Our National Strategy for Economic Transformation sets us on the path to transition to a wellbeing economy, which forms its overarching vision.
- I am engaging widely with business leaders and businesses to develop and agree a ‘New Deal’ with the private sector, for how we will work with the industry to deliver a growing economy that increases wellbeing.
- The knowledge, expertise and ultimately success of our businesses, large and small, will be critical to Scotland achieving its aim of transitioning to a wellbeing economy.

**Q. What are the practical tools we need to deliver this change?**

- Building a fairer, greener and more resilient society will require effective partnerships. We must work across the public, private and third sectors, as well as with individuals and communities, to make meaningful change and to successfully deliver our vision for a wellbeing economy.
- We published the place-based, outcomes-focused Wellbeing Economy Toolkit, which sets out the participatory, purpose-based, preventative wellbeing economy approach that the Scottish Government is working to apply across our strategies and policies.
- Informed by the Wellbeing Economy Pilot project in Clackmannanshire, this Toolkit provides a resource for those involved in developing economic strategy and place-based economic development policy to aid decision-making and prioritisation of economic interventions to facilitate the transition to local and regional wellbeing economies.
- Community Wealth Building legislation [under development] will be a key practical component of the approach to local and regional economic development and empowerment, promoting and sustaining fair work, and creating and retaining more wealth within communities.

**Q. How will we know what success looks like?**

- What we measure matters. It matters because it drives political focus and public activity.
- The limitations of GDP as a measure of economic success are well documented.
- Traditional economic metrics like GDP will remain an important measure but cannot be viewed in isolation.
- To help us assess Scotland’s progress in creating a wellbeing economy, we have published a Wellbeing Economy Monitor – which tracks broader outcomes of economic activity using indicators relating to health, equality, fair work and the environment, among others.
- The Monitor has been developed to complement and look beyond GDP to measure other indicators of economic success that relate to the wellbeing of people and the natural environment, based on Scotland’s National Outcomes and the UN Sustainable Development Goals.
- This is in line with the “four capitals” approach, reflecting the importance and interconnectedness of all four capitals - social, economic, human and natural – for long-term, sustainable outcomes for the wellbeing of future generations.

**Q. What does the Scottish Government mean by a Wellbeing Economy?**

- Our vision for Scotland is to transition to a wellbeing economy - that is, an economic system operating within safe environmental limits, which serves and prioritises the collective wellbeing of current and future generations.
- We are taking a broader view of what it means to be a successful economy, society and country and putting people and the planet at the heart.

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- Our approach is based on the principles of prosperity, equality, sustainability, and resilience.
- As we transition to a wellbeing economy, we will use the powers we currently have to grow a fairer, greener economy, which meets the needs and aspirations of people, and where businesses across Scotland thrive and prosper.
- We want to create a prosperous economy with Fair Work and a Just Transition to net zero and climate resilience at its heart – that is an economic system designed to deliver social justice for current and future generations on a healthy planet.

**Q. Is the Scottish Government moving away from a focus on economic growth?**

- The First Minister’s policy prospectus sets out that, at the heart of a wellbeing economy is economic growth for a purpose, to drive improved living standards, promote wellbeing, reduce poverty, and deliver sustainable high quality public services.
- Economic dynamism and productivity - when coupled with fairness, inclusion and sustainability - can grow prosperity and wellbeing. These concepts need not be contradictory.
- Reorienting our economy towards wellbeing and fair work builds on our sustainable, inclusive growth approach, recognising that the narrow pursuit of growth at all costs, without resolving the structural inequalities in our communities or respecting environmental limits, is reductive.
- The wellbeing economy approach emphasises that economic growth should not only be sustainable and inclusive but should also serve as a means to an end – that of collective wellbeing of people and planet – rather than be considered an end in itself.
- It seeks to reorient and rewire the economy to embed equality, inclusion and environmental sustainability from the outset.
- The principles of a wellbeing economy cannot be achieved through simply redistributing wealth, they need to be hard-wired into everything we do in our economic strategy.
- Traditional measures of economic progress, like GDP, do not tell the whole story of prosperity. GDP does not reflect key aspects of the real economy, like the cost of tackling climate change or providing care to our loved ones. Neither do they shed light on income or wealth inequality. That is why we have published a Wellbeing Economy Monitor to measure broader outcomes.
- This approach challenges us to reflect on how we value different aspects of our economy; something that was brought into sharp focus during the pandemic, with the foundational role of ‘key workers’, and our critical infrastructure, sectors and services coming to the fore.
- It recognises that the economy is everybody’s business – from health and care to education, and from housing and energy to food and agriculture – requiring a joined-up focus across government at all levels, across all sectors of the economy and all parts of society.

**Q: What progress has SG made to date on the transition to a wellbeing economy?**

- Wellbeing is an explicit part of our national purpose as a country, underpinning the National Performance Framework - Scotland’s Wellbeing Framework.
- Scotland is leading the wellbeing economy agenda on the international stage as a founding member of the Wellbeing Economy Governments network (WeGo) with New Zealand and Iceland. Members also include Finland and Wales, with Canada increasingly involved.
- Our National Strategy for Economic Transformation sets us on the path to transition to a wellbeing economy, which forms its overarching vision.
- Scotland has made real progress in creating a fairer, greener economy and society, from reforming the income tax system, to setting up the Scottish Child Payment; and from

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establishing a national investment bank with a net zero mission, to setting the pace on the transition to renewables and a net zero, climate resilient economy.

- We have the highest proportion of workers of any UK nation paid the real living wage.
- We have a more progressive system of income tax. While the majority of taxpayers in Scotland pay slightly less tax than counterparts elsewhere in the UK, we ask those who earn most to pay a bit more - both to help fund public services and tackle poverty.
- The Scottish Child Payment is unique across these islands. It takes the form of a payment of £25 per week per child for low-income families. According to a recent report by the Institute for Fiscal Studies the poorest families with children in Scotland are now £2,000 better off as a result of our policies.
- We have also taken a different approach to public sector pay, choosing negotiation over confrontation. As a result, we are the only UK nation to have avoided strikes in the NHS this winter. And, on average, our public sector workers are paid more than in the rest of the UK, helping to tackle low pay.

**Q. Could an independent Scotland do more?**

- We are doing everything possible with the powers currently available to us to grow and transform the economy in a way that delivers fairer, greener prosperity but, as set out in our prospectus for the economy of an independent Scotland (17 October), we need significantly increased policy levers to maximise Scotland's potential.

## Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray

### Briefing for Iceland visit – 13-15 June 2023

#### Briefing Note 3

#### Meeting with Icelandic Finance Colleagues

<b>What</b>	Meeting with <b>[Redacted]</b> of Fossar Investment Bank
<b>Where</b>	Their office building: Frikirkjuvegur (3–5-minute walk from Harpa). Google maps link: <a href="https://goo.gl/maps/LLQziCE88LzBQPzt9">https://goo.gl/maps/LLQziCE88LzBQPzt9</a>
<b>When</b>	11:00 – 12:00
<b>Who</b>	<b>[Redacted]</b> See Annex B
<b>Why</b>	<b>[Redacted]</b> Fossar is a full-service investment bank founded in 2015 with a specific focus on Capital Markets, Corporate Finance and Asset Management.
<b>Supporting official</b>	Gary Gillespie, Chief Economist: <b>[Redacted]</b> Private Secretary:
<b>Briefing contents</b>	<b>Annex A:</b> Summary <b>Annex B:</b> Biographies <b>Annex C:</b> Top Lines <ul style="list-style-type: none"><li>• Financial Services</li><li>• Scottish National Investment Bank</li></ul>

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**ANNEX A**

**Summary**

Background

- Iceland is a European Free Trade Association (EFTA) member (along with Norway and Switzerland) and is not in the EU27.
- The country's Krona floats freely on currency markets, which means the krona isn't pegged to any other currency and no other currency is pegged to it.
- The development of the Icelandic financial system has reflected the political and economic evolution of the country from a dependency of the Danish Crown into a modern high-income republic.
- The 2008 global financial crisis hit Iceland hard - the currency crashed, unemployment soared and the stock market was more or less wiped out. But unlike other Western economies, the Icelandic government let its three major banks - Kaupthing, Glitnir and Landsbankinn – fail. In fact, the 2008 crisis was the largest ever recorded relative to its size.
- The Central Bank of Iceland has taken a more active role in monetary policy in recent years, including implementing unconventional measures such as capital controls during the 2008 financial crisis.
- Iceland's economy has recovered and now has a relatively small financial sector, with only a few large financial institutions operating in the country. The banking sector in Iceland is dominated by three large banks, including Landsbankinn and Íslandsbanki, which offer a wide range of financial services.
- The Icelandic government has implemented a number of measures to promote competition in the financial sector, including the creation of a favourable regulatory environment for fintech startups. Despite its small size, Iceland has a thriving fintech ecosystem, with a number of startups offering innovative financial services and challenging established players.

Fossar

Fossar is a full-service investment bank with a specific focus on Capital Markets, Corporate Finance and Asset Management. Fossar provides clients with tailored financial services and is at the forefront in connecting the Icelandic economy to international markets. The Fossar team is comprised of experienced professionals with an extensive background in the financial industry both locally and globally.

Fossar was founded in 2015 and has provided services to Icelandic and international professional investors in capital markets, corporate finance and asset management ever since. Fossar's headquarters are based in Reykjavik but the company also has an office in London. Fossar's employees are specialists with extensive experience in both domestic and international financial markets. Fossar strives to be at the forefront of Icelandic businesses when it comes to social responsibility and sustainability, both internally and through its extensive influence through clients and other beneficiaries. Fossar has, for example, pioneered the issuance of green- and social bonds in Iceland.

**Biographies**

**[Redacted]**

## Top Lines

### Financial Services

- As the UK's second largest financial hub after London, Scotland is a fantastic place to do business, with depth and strength across the full spectrum of financial and professional business services, and the ambition to lead in areas that will shape the future of finance.
- The Scottish Government helps support and promote **Scotland's financial services ecosystem, which employs 145,000 people and contributes 9.6% National GVA to the Scottish economy.**<sup>1</sup>
- Scotland has a long and distinguished history in financial services and has a strong inward investment offer. We offer stability and security, the UK's respected regulatory regime, and a distinctive offer rooted in a strong heritage and capabilities in **banking, asset management and servicing, insurance and pensions and financial technology.**
- Edinburgh is an important international financial centre (currently ranked 27<sup>th</sup> in the Global Financial Centres Index) with a strong presence in banking, life insurance and investment management activities. **The insurance and banking sectors account for almost 70% of industry GVA in the city. The industry contributes more than 25% of city GVA and employs 14% of the city employees.**
- Glasgow has had a significant rise up in the Global Financial Centres Index<sup>2</sup> in recent years. It is currently ranked 45<sup>th</sup> and recognised as an 'established international centre' in its own right. Glasgow has particular strengths in banking and insurance, and the sector as a whole accounts for **9.5% of jobs in the city and contributes 18% of city GVA.** Employers such as Barclays, PwC and Morgan Stanley have also built established and successful operations within Glasgow. JP Morgan Glasgow is home to the firms European Technology Centre.
- **Barclays in particular has grown its workforce in Glasgow by over 90% in the last four years and is on track to have around 5,000 employees on campus by 2023.**

### ASSET MANAGEMENT

- Scotland also has strength in Investment Management sector which **employs around 14,000 in Scotland which is 11% of the UK total.**<sup>3</sup> In 2021, assets managed from Scotland reached around £690 billion and 19% of all assets managed by UK-headquartered firms are invested by companies with operations in Scotland.
- Currently **6 Global Asset Servicing firms have significant operations in Scotland (BNP Paribas, BNY Mellon, Citi, HSBC, JP Morgan and State Street).**

### INSURANCE AND LONG-TERM SAVINGS (PRIVATE PENSIONS)

- Scotland has historic strengths in pensions and insurance sectors. General insurance, life assurance and pension services in Scotland date back to 1815 and the establishment of Scotland's first mutual life assurance office. Today, approx. 21,000 people are employed in Scotland in this sector (7% of the UK total).
- Edinburgh is the biggest employment centre for life and pension jobs in the UK retaining the headquarters and decision-making power of a number of internationally-recognised financial

<sup>1</sup> [Enabling growth across the UK 2022: UK-based financial and related professional services | TheCityUK](#)

<sup>2</sup> [The Global Financial Centres Index - Long Finance](#)

<sup>3</sup> [Investment management survey 2021-2022 | The Investment Association \(theia.org\)](#)

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services firms such as Scottish Widows (part of Lloyds Banking Group), Phoenix Group, AEGON UK, Royal London, Prudential and Aviva which are vital to Scotland's financial ecosystem.

- The Scottish Government works closely with the ABI (Association of British Insurers) the industry body representing the UK's insurance and long-term savings industry on insurance and pensions related matters.

### FINTECH

- In recent years, the sector's traditional strengths have also been enhanced by our expertise in other areas – such as technology, data analysis, and informatics. This has helped Scotland to develop strong capabilities in FinTech resulting in **Scotland's fintech community currently being home to over 200 companies and counting.**
- FinTech Scotland's innovative and collaborative model, has also led to Scotland being recognised as the **UK's first fintech cluster of excellence by the European Cluster accreditation body – one of only 3 in Europe.** FinTech Scotland were also recognised in the Kalifa Review of fintech in the UK as an exemplar for others to follow.

### GREEN AND SUSTAINABLE FINANCIAL SERVICES

- Scotland's Financial Services sector will be crucial to delivering a sustainable and green investment-led recovery. Green and Sustainable financial services are a fantastic economic opportunity for Scotland – building on our natural assets, our energy industry prowess, our Fintech edge and our status as the UK's second largest financial centre outside of London. Building Scotland's Net Zero future will require an unprecedented level of responsible, sustainable investment in the Scottish and global economies.
- To harness the existing activity within Scotland, we launched an **industry-led Scottish Taskforce for Green and Sustainable Financial Services in Feb 2022<sup>4</sup>** to help to deliver a roadmap that will chart Scotland's course towards becoming a pre-eminent global hub for green, ethical, and sustainable financial services.

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<sup>4</sup> [Investing in sustainable green finances - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/02/Investing-in-sustainable-green-finance-2022-23.pdf)

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**SCOTTISH NATIONAL INVESTMENT BANK KEY BACKGROUND**

The legislation to establish the Scottish National Investment Bank (the Bank) was passed in 2019 and the Bank became operational in November 2020. Since then, as its team of around 60 specialist staff has been built, it has committed over £415 million across 27 investments, alongside over £680m of third-party capital.

The Bank makes commercial investments, debt and/or equity, in businesses and/or projects in line with the three strategic missions set for it by Scottish Ministers:

- Achieving a Just Transition to net zero carbon emissions by 2045.
- Extending equality of opportunity through improving places by 2040
- Harnessing Innovation to enable our people to flourish by 2040.

The Bank's investment decisions are independent of Government. The Bank does not make sub-commercial investments or provide grant funding.

There is an existing commitment for the Scottish Government to capitalise the Bank through £2 billion of financial support over 10 years, £1 billion by the end of the Parliament. The Bank's budget for 2023/24 is £237.8m of Financial Transactions and £5.8m of resource funding. The Bank expects to become self-financing in resource terms over the next 2-3 years.

**Key Stats**

- The Scottish National Investment Bank has committed to **£415.1 million in 27 investments** to date.
- The Bank has co-invested alongside **£680m third party capital** across its portfolio.
- During 2022 the investments made by the Bank directly supported around 1,200 jobs.
- From launch (November 2020) until 31 December 2022;
  - 50% of the Bank investment portfolio contributed to the shift to a net zero economy. \* (£227.2 million).
  - Bank investments have generated approximately 1.8 GWh of renewable energy, powering the equivalent of 472 homes in a year.
  - Investments have avoided, reduced, or removed approximately 9,071.4 tCO<sub>2</sub>e, the equivalent of 229 full capacity, return flights from Glasgow to London
  - 100% of Bank investees have committed to adopting Fair Work principles.
  - 43 patents had been reported as being supported by Bank investment.

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BRIEFING NOTE 4

Lunch with Prime Minister of Iceland and Panelists

<b>What</b>	Katrín Jakobsdóttir, Prime Minister of Iceland, hosts a working lunch for Ministers and Keynotes participating in the Forum.
<b>When</b>	Wednesday 14 June 2023, 12:30 – 13:30
<b>Where</b>	Harpa Björtuloft, restaurant within the Harpa Conference Centre, Reykjavik Google maps link: <a href="https://goo.gl/maps/ZUZ2iheCX7ur6ptUA">https://goo.gl/maps/ZUZ2iheCX7ur6ptUA</a>
<b>Key Messages</b>	<ul style="list-style-type: none"> <li>• The Scottish Government is committed to continuing Scotland’s international leadership in the transition to a wellbeing economy – an economy which is strong and resilient, and which works for people, not the other way round.</li> <li>• As we transition to a wellbeing economy, we will use the powers we currently have to grow a fairer, greener economy, which meets the needs and aspirations of people, and where businesses across Scotland thrive and prosper.</li> <li>• Iceland is one of Scotland’s closest partners and recent months have seen a further expansion of policy and knowledge exchange between our governments, which we strongly welcome.</li> <li>• We value and welcome the continued collaboration between our governments, and other partners, in the Wellbeing Economy Governments group.</li> </ul>
<b>Who</b>	<ul style="list-style-type: none"> <li>• Katrin Jakobsdóttir, PM Iceland</li> <li>• Ms. Paulette Lenert, Deputy PM and Minister of Health of Luxembourg.</li> <li>• Hans Kluge, WHO Regional Director for Europe.</li> <li>• Lord Richard Layard, founder, and director of the Centre for Economic Performance at the LSE.</li> <li>• Bjarni Benediktsson, Minister of Finance and Economics, Iceland</li> <li>• Willum Þór Þórsson, Minister of Health, Iceland</li> <li>• Alma Möller, Director for the Icelandic Directorate of Health</li> </ul> <p>Officials:</p> <ul style="list-style-type: none"> <li>• Gary Gillespie, Chief Economic Advisor, Scottish Government (panel chair)</li> <li>• <b>[Redacted]</b>, Coordinator of the Minister's office, Luxembourg</li> </ul> <p>See Annex B for biographies</p>
<b>Why</b>	The lunch will be informal – the aim is to allow open discussions between leading experts in the field and politicians.
<b>Official Support</b>	<b>[Redacted]</b> – Private Secretary Gary Gillespie – Chief Economist
<b>Dress code</b>	Business Attire

## Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray

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ANNEX A

Summary Page

Background

**Iceland's Presidencies**

- In 2023, Iceland is holding the presidency of both the Nordic Council of Ministers (NCM) and, until the end of May, the Council of Europe (CoE).
- Iceland's Presidency of the Council of Europe focused on human rights, democracy and rule of law, the environment, equality as well as children and youth.
- In May 2023, Reykjavik played host to the 4<sup>th</sup> Summit of the Council of Europe. Ukraine dominated the agenda, with a clear message of unity demonstrated by all CoE leaders.
- The Summit's key outcome was the establishment of a Register of Damage, which will record and document evidence of damage, loss and injury caused by Russian aggression in Ukraine.
- The programme for the Presidency of the NCM emphasises collaboration around just energy transition, equalities and peace.

*Offer: Congratulations on both presidencies. Increasing Scottish involvement in projects promoted by the NCM and its agencies remains a priority for the Scottish Government. [Redacted]*

[Redacted]

Recent and Future Engagements

Prime Minister of Iceland Katrin Jakobsdóttir met the former First Minister several times – including at the Arctic Circle Assembly in October 2021 and at COP26. More recently, **Ms Jakobsdóttir met Cabinet Secretary Robertson** in the margins of the Arctic Circle Assembly in October 2022 (see below table).

**Sustainable Islands Network event – 16 and 17 May, Lerwick, Shetland**

- In collaboration with the Nordic Energy Research (NER) – an agency of the Nordic Council of Ministers – and the Icelandic Embassy in London, DEXA officials organised a study visit to Shetland from the NER-convened Sustainable Islands Network.
- The group consists of approximately 30 representatives from across the Nordic region (including Iceland) and serves as a forum for multilateral learning on green energy solutions for islands communities.
- The aim of the event was to encourage knowledge exchange between Scotland and the Nordic countries and promote the work that SG is carrying out to deliver on its commitment of establishing at least six fully carbon neutral islands by 2040.
- Cabinet Secretary Gougeon opened the conference.

**Offshore wind**

- In January 2023, the Icelandic Parliament's Environment and Communications Committee paid a study visit to Scotland with a focus on wind energy (particularly onshore wind), protected nature areas and public transport (connectivity between rural and urban areas).

**Briefing for Iceland visit – 13-15 June 2023**

- Among other engagements, the delegation met Mr Matheson (then Energy Secretary) and Mr Robertson and visited the Burnhead Moss wind farm.
- In partnership with the British Embassy in Reykjavik, SG officials organised a reciprocal visit to Iceland in April. Our delegation included SG's Offshore Wind and Marine Scotland officials and representatives from Scottish Power Renewables.
- There are early plans for a further visit to Scotland from Icelandic offshore wind experts and industry representatives later this year.

**Visit by Icelandic Minister for Food, Agriculture and Fisheries**

- Icelandic Minister for Food, Agriculture and Fisheries Svandís Svavarsdóttir is expected to pay a study visit to Scotland in September 2023 to learn more about our approach to agricultural research, peatland restoration and emissions reduction in agriculture.
- A bilateral meeting with Ms Gougeon has been included in the draft programme, which may also feature visits to the James Hutton Institute's facilities in Aberdeen and Dundee.
- PM Jakobsdóttir had herself expressed interest in increasing bilateral collaboration in these policy areas during her visit to Edinburgh in 2019.

**Mr Robertson's Meeting with PM Jakobsdóttir**

[Redacted]

Biographies

**Katrín Jakobsdóttir, *Prime Minister of Iceland***



Katrín Jakobsdóttir is the Prime Minister of Iceland and the Leader of the Left-Green Movement. She joined the Left-Green Movement in 2002 and has been a member of the Icelandic parliament, Alþingi, for the Reykjavík North Constituency since 2007. She has been the leader of the Left-Green Movement since 2013, having served as the deputy leader from 2003. Katrín was Minister of Education, Science and Culture, as well as Minister for Nordic Cooperation, in the left-wing government of 2009–2013. Katrín is Iceland’s second female Prime Minister and is the first elected head of state who comes from a new breed of Nordic left-wing parties that link democratic socialism, environmentalism, feminism and anti-militarism.

Katrín governs in a coalition with the conservative Independence Party and the centrist Progressive Party.

**Paulette Lenert, *Deputy Prime Minister and Minister of Health, Luxembourg***



Paulette Lenert is Deputy Prime Minister, Minister of Health, Minister for Consumer Protection and Minister Delegate for Social Security in Luxembourg. Following the legislative elections in 2018, Paulette Lenert joined the government as Minister for Cooperation and Humanitarian Action and Minister for Consumer Protection. In February 2020, Paulette Lenert was appointed Minister of Health as well as Minister Delegate for Social Security. Additionally, as a result of a cabinet reshuffle in January 2022, Paulette Lenert was nominated Deputy Prime Minister.

In her position as Minister of Health, Paulette Lenert believes in equitable access to healthcare for all and opposes the privatisation of the healthcare system.

**Briefing for Iceland visit – 13-15 June 2023**

**Dr. Hans Kluge, *WHO Regional Director for Europe***



Dr Hans Henri P. Kluge of Belgium embarked on his role as WHO Regional Director for Europe on February 1, 2020, shortly before COVID-19 was declared a global pandemic. Since then, he and his team have led WHO's response to this health emergency across 53 countries encompassing Europe and Central Asia. Lessons learnt from the crisis, along with other key health priorities, are encapsulated in the WHO European Programme of Work, which reflects a dual track approach to health: Preparing better for mounting health emergencies even as countries strengthen essential health systems and services including for non-communicable diseases. In his current role, Dr Kluge advocates all the more strongly with governments and funders for health systems strengthening, prioritizing primary health care as a cornerstone of public health. "For me, universal health coverage is more than a slogan," he says. "Strategic, practical investments, grounded in human rights and propelled by political will, can transform societies and countries – accelerating the achievement of health for all."

**Lord Richard Layard, *Director of the Centre for Economic Performance***



Richard Layard is the founder-Director of the Centre for Economic Performance - a leading inter-disciplinary research centre at the London School of Economics. He is currently co-Director of their Community Wellbeing programme.

Richard is an economist who thinks there is more to happiness than just the economy. In 2005 he wrote the best-selling book *Happiness: Lessons from a New Science*, translated into 20 languages.

He has had huge influence on making psychological therapy more widely available in Britain's National Health Service, and in 2014 co-authored *Thrive* on how we can secure a better deal for mental health. In 2018 he co-authored *The Origins of Happiness* – an analysis of what determines our happiness, based on a range of longitudinal datasets.

Richard's latest book *Can we be happier? The evidence and ethics for better lives* explores how teachers, managers, health professionals, couples, community leaders, economists, scientists, politicians, and we as individuals can create a happier world.

**Briefing for Iceland visit – 13-15 June 2023**

**Willum Þór Þórsson, *Minister of Health, Iceland***



Willum Þór Þórsson is the Minister of Health in Iceland. Willum took office as Minister of Health in November 2021 and has served as a member of Althingi for the Southwest Constituency since 2013 for the Progressive Party.

Prior to his appointment as Minister of Health, Þórsson served as chair of the Budget Committee from 2017 – 2021 and as Deputy Speaker of Althingi 2019–2021.

In his current role, Þórsson has been instrumental in implementing policies aimed at improving the quality and accessibility of healthcare in Iceland with increased focus on both public and mental health.

**Bjarni Benediktsson, *Minister of Finance and Economic Affairs, Iceland***



Bjarni Benediktsson took office as minister of finance and economic affairs in 2017. Member of the Icelandic parliament Althingi for Southwest Iceland since 2003, Bjarni Benediktsson has been leader of the Independence party since 2009. He was minister of finance and economic affairs from April 2013 to January 2017 when he became prime minister.

**Alma Möller, *Director for the Icelandic Directorate of Health***



Alma is a medical doctor, with a specialist degree and a PhD in anaesthesia and intensive care medicine. She also has a specialist degree in health care administration and a Masters degree in public health and administration. Further, she has a diploma degree in public administration.

Alma has been clinically active until she took on the current office as the Director of Health in 2018, the first woman to serve since the office was established in year 1760. She has previously worked at the University Hospital in Lund Sweden and as a chief and senior executive of both Anaesthesia and Intensive Care at the Landspítali University Hospital in Reykjavík.

Having worked with intensive care patients during her professional life, Alma emphasizes the importance of promoting public health in meeting the challenges facing health and health care services.

## Top Lines

### Scottish-Icelandic Policy Links

#### **24/7 Carbon-free Energy Compact#**

- The 24/7 Carbon-Free Energy Compact seeks to accelerate the decarbonisation of the world's electricity systems to ensure access to clean and affordable electricity for all.
- The compact comprises over 70 signatories including companies, investors, organisations and governments.
- Following Iceland's leadership, Scotland was the second country to sign up to the 24/7 Carbon-free Energy Compact on the occasion of Minister McAllan's visit to the New York Climate Week in September 2022.

#### **Barnahus**

- The Bairns' Hoose – based on the Icelandic model 'Barnahus' (child's house) – will bring together services in a 'four rooms' approach for child victims and witnesses of abuse and harm, with child protection, health, justice, and recovery services all made available in one setting. A key aim of the model is to reduce the number of times children must recount their experiences.
- The approach has gained international recognition. That's why Scottish Government has committed to ensure that every child referred will have access to services of a Bairns' Hoose.
- In 2021, the former First Minister visited a Barnahus facility in Iceland as part of her visit to the Arctic Circle Assembly to learn more about the concept, its development and delivery.
- We will begin a phased approach to implementation of Bairns' Hoose with a Pathfinder phase where National Standards will be tested in multi-agency partnerships, beginning later this year.

#### **Arctic work**

- Scottish Ministers have addressed the Arctic Circle Assembly in Reykjavik every year it has been held since 2016. The former First Minister attended three times (2016, 2017 and 2021).
- Arctic Connections, Scotland's first Arctic Policy Framework, was published in September 2019. It illustrates existing links, reflects on shared challenges (particularly those stemming from rurality and remoteness), and explores avenues for even closer cooperation between Scotland and Arctic countries.

#### **Human Rights**

- Earlier this year, Prime Minister Jakobsdóttir announced plans to establish an independent Human Rights Institute. It will have a broad mandate to work on the promotion and protection of human rights and inform the content of Iceland's national plan on human rights.
- Human Rights officials are seeking engagement with their Icelandic counterparts to identify opportunities for collaboration and mutual learning.

#### **Aquaculture**

- During his meeting with Cabinet Secretary Robertson and Scotland House London earlier this year, Icelandic Ambassador to the UK Sturla Sigurjónsson expressed interest in increasing Scottish-Icelandic collaboration in relation to the development of the land-based aquaculture sector which is currently the focus of the Icelandic Government.

## **Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray**

### **Briefing for Iceland visit – 13-15 June 2023**

- With assistance from the Icelandic Embassy in London, we have now been put in touch with relevant officials in Reykjavik and will soon arrange an official level meeting to discuss our respective aquaculture policies further.

Briefing for Iceland visit – 13-15 June 2023

ANNEX D

Invitation from Prime Minister Katrin Jakobsdóttir

“Katrín Jakobsdóttir, Prime Minister of Iceland, is pleased to invite you as a keynote speaker at the Wellbeing Economy Forum to a Working lunch on Wednesday, 14 June, from 12:30-13:30.  
Venue: Harpa, Conference Hall (Björtuloft)“



*On the occasion of the Wellbeing Economy Forum  
The Prime Minister Katrin Jakobsdóttir  
requests the pleasure of the company of  
Mr. Neil Gray +1  
at lunch  
on Wednesday, 14 June at 12:30-13:30.*

*P.M.*

*Björtuloft Harpa*

## Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray

### Briefing for Iceland visit – 13-15 June 2023

#### BRIEFING NOTE 5

#### Bilateral with Ms. Paulette Lenert, Deputy Prime Minister and Minister of Health, Luxembourg

<b>When</b>	Wednesday 14 June 2023, 13:45 – 14:10
<b>Where</b>	Harpa Björtuloft, restaurant within the Harpa Conference Centre, Reykjavik Google maps link: <a href="https://goo.gl/maps/ZUZ2iheCX7ur6ptUA">https://goo.gl/maps/ZUZ2iheCX7ur6ptUA</a>
<b>Key Messages</b>	We are committed to strengthening our relationship with Luxembourg, especially in the areas of <b>financial services</b> and <b>space industry</b> .
<b>Who</b>	Paulette Lenert, Deputy Prime Minister and Minister of Health, Luxembourg See Annex B
<b>Why</b>	We are keen learn more about Luxembourg's views on opportunities for future knowledge sharing and policy cooperation.
<b>Official Support</b>	<b>[Redacted]</b> – Private Secretary Gary Gillespie – Chief Economist
<b>Dress code</b>	Business Attire
<b>Briefing contents</b>	<b>Annex A:</b> Summary <b>Annex B:</b> Biography <b>Annex C:</b> Top Lines: <ul style="list-style-type: none"><li>• Space Sector</li><li>• Fintech</li></ul> <b>Annex D:</b> Luxembourg Country Profile <b>Annex E:</b> OECD Luxembourg Economic Outlook June 2023

Briefing for Iceland visit – 13-15 June 2023

ANNEX A

Summary

**Discussion Points**

- We are committed to strengthening our relationship with Luxembourg, especially in the areas of **financial services** and **space industry**.
- As this year marks three years since Luxembourg became the first country in the world to introduce free **public transport**, we are keen to learn more about lessons learnt from this initiative, in particular about the impact on reducing traffic and easing inequality.
- We are keen learn more about Luxembourg's views on opportunities for future knowledge sharing and policy cooperation.

**Recent/Future Engagement**

- 15 May 2019 – former First Minister Nicola Sturgeon and Mr Mackay met with the Ambassador in Edinburgh
- 26 Nov 2018 – Ms Hyslop and the Lord Advocate visited Luxembourg and the European Court of Justice to officially unveil the loan of two artworks from the National Galleries of Scotland

**Paulette Lenert, *Deputy Prime Minister and Minister of Health, Luxembourg***



Paulette Lenert is Deputy Prime Minister, Minister of Health, Minister for Consumer Protection and Minister Delegate for Social Security in Luxembourg. Following the legislative elections in 2018, Paulette Lenert joined the government as Minister for Cooperation and Humanitarian Action and Minister for Consumer Protection. In February 2020, Paulette Lenert was appointed Minister of Health as well as Minister Delegate for Social Security. Additionally, as a result of a cabinet reshuffle in January 2022, Paulette Lenert was nominated Deputy Prime Minister.

In her position as Minister of Health, Paulette Lenert believes in equitable access to healthcare for all and opposes the privatisation of the healthcare system.

**Briefing for Iceland visit – 13-15 June 2023**

**ANNEX C**

**Top Lines**

**Space Sector**

- Space and its regulatory framework are reserved to the UK Government however, the Scottish Government is fully committed to supporting our burgeoning space sector and forging international partnerships.
- In Scotland, we have identified the space sector as a priority. It is making great progress in terms of economic growth, but more importantly, in a responsible and sustainable way.
- And that has been made possible by the collaborative ecosystem we have between industry, academia and government.
- This partnership resulted in the development of Scotland's first ever space strategy, published in 2021, firmly setting our commitment to 'Sustainable Space' and positioning our nation as a thought leader regarding the reduction of the environmental impact of space activity.
- And this commitment was further reinforced last year when we published the world's first Sustainable Space Roadmap, which encourages responsible growth and sets us on the path to become the greenest space sector on Earth.

**Top Facts**

- Our ambition is for Scotland to be Europe's leading space nation and to have a £4 billion share of the global space market and 20,000 jobs in the sector by 2030.
- Scotland is already 'punching above its weight' in terms of performance in the UK space sector, with one fifth of all UK space sector jobs being based in Scotland.
- There are 183 space organisations located in Scotland that together employ 8,568 workers.
- Scotland's dynamic and growing space sector focuses upon a number of high-tech, high skill and research & development intensive areas, creating a Scottish space industry estimated total income of £254m in 2017/18 with great potential for further growth. This income supports Gross Value Added of £880m [14% of the UK's total space industry contribution].
- The sector is expanding rapidly; companies like Mangata Networks are choosing to establish a presence here, and existing companies, like the launch vehicle manufacturer Orbex, are recruiting and expanding their physical footprint.

**SG Support**

- The Scottish Government is fully committed to supporting our burgeoning space sector identified as a priority in both our Inward Investment Plan and the National Strategy for Economic Transformation.
- Scotland published its first Space Strategy in October 2021. Developed in partnership between industry, academia and government, the Strategy lays the foundations for the next phase of sector growth, and mobilises the whole of our space community (across public, private and academic sectors) to realise our collective ambition of becoming Europe's leading space nation.
- We are working with Space Scotland and the Scottish Space Academic Forum to achieve this.
- Scotland's space sector ambitions will also benefit from the guidance of a group of space experts from the GlobalScots network, under the Scotland International Space Advisory Committee (SISAC).

### Briefing for Iceland visit – 13-15 June 2023

- We will work closely with the group and Space Scotland to build international awareness of Scotland's strengthening position in the global Space landscape and establish strategic international alliances in the space sector.

#### Fintech

- With over 220+ companies disrupting markets and gaining customers, Scotland is a leading FinTech destination.
- Founded in 2018 with seed funding from Scottish Enterprise and ten initial strategic partners, Fintech Scotland has developed the Edinburgh to Glasgow corridor into a leading European cluster focussing on Open Finance and regtech. FinTech Scotland's model was recognised in Ron Kalifa's Review of UK FinTech as an exemplar for others to follow.
- FinTech Scotland has achieved a new level of Cluster Excellence accreditation: the **silver level** of cluster excellence accreditation, which is the highest level achieved by a fintech body in the UK or Europe, awarded by the recognised European Secretariat for Cluster Accreditation (ESCA).

#### Scotland's Story of Growth

- Starting with 26 fintech firms, today the ecosystem boasts over 220, with more in the pipeline.
- Scotland's fintech cluster has benefited from a strong governance model which brought together entrepreneurial firms, large FS institutions, global tech companies, public sector bodies, academia and regulators – a total of 28 strategic partners.
- Our cluster excellence has been further reinforced by the establishment of the world's first **Smart Data Foundry** by FinTech Scotland in collaboration with the University of Edinburgh and various other major bodies and institutions.

#### Scotland's Ecosystem

- The combination of a strong, mature financial services sector - including several major technology development centres for global Financial Services companies, and vibrant globally recognised FinTech cluster is what gives Scotland its edge.
- The Scottish Government is committed, working with our partners, to ensure we have the best possible policy environment in place for Fintech businesses to succeed.
- We will work with partners and industry to encourage digital adoption in all of our businesses, sectors, and institutions – ensuring they understand the opportunities and how to seize them.

Briefing for Iceland visit – 13-15 June 2023

ANNEX D

Luxembourg Country Profile

**Full name:** Grand Duchy of Luxembourg

**Population:** 602,005 (2018)

**Main exports:** Manufactured goods of primary materials (mostly steel), machinery and equipment, transport equipment, automotive components

**Head of State:** The Grand Duke Henri

**Prime Minister:** Mr Xavier Bettel, Democratic Party (DP)

**Ambassador to UK –** HE Georges Friden

**UK Ambassador –** Fleur Thomas

**Honorary Consul of Luxembourg to Scotland -** Peter Hillier (since July 2013).

Luxembourg is based on a constitutional monarchy. The Prime Minister is the head of government. The Grand Duke is the chief of state.

**Hot topics:**

- On 9 May 2023, media reports note that Luxembourg's employment Minister Georges Engel is looking into Luxembourg potentially adopting a 38-hour workweek so the country can remain competitive and continue attracting the foreign workforce it needs. In Luxembourg, the average working week is 40 hours, with a maximum of 48 hours allowed by law. The EU average across all member states is 37.1 hours.
- This year marks three years since Luxembourg became the first country in the world to scrap fares on all **public transport** in 2020.
- Luxembourg has been sending supplies to Ukraine since the start of the war. In February this year, media reports noted that Luxembourg was buying weapons from open markets to ensure it could keep delivering aid, as it had already depleted its relatively limited military stockpiles.

## OECD LUXEMBOURG ECONOMIC OUTLOOK

### Summary:

GDP growth is projected to slow to 0.8% in 2023 from 1.6% in 2022 before picking up to 2% in 2024. Measured activity in the key financial and insurance services sector is weakening, and tightening financial conditions are slowing private investment. Domestic consumption will sustain activity in 2023 and 2024, and a partial recovery in net exports and investment will boost growth in 2024. Risks are tilted to the downside, as the looming housing market correction might have a larger-than-expected impact on private consumption. Measured activity is highly sensitive to financial market prices and developments. While some mild fiscal expansion might be warranted to sustain consumption in the short term, energy related support should be phased out and the fiscal stance tightened as the economy recovers. Looking ahead, reforming the pension system to ensure long-term fiscal sustainability should be a priority. A reform of the wage indexation system to restrict indexation to non-energy price inflation should also be considered. Family policies to bring the working time of women more in line with that of men should be strengthened.

### 2022 ended with a sharp contraction:

GDP shrank by over 3% in the fourth quarter of 2022. The slowdown was broad-based. However, key high-frequency indicators, such as retail sales and industrial production, show a possible rebound in domestic activities in the early part of this year. Headline consumer price inflation decreased substantially in the first months of 2023, to below 3% in April 2023, the lowest in the European Union. After growing more than 90% since 2015, residential property prices started to decline at the end of 2022. The labour market has so far proved resilient, with the unemployment rate staying below 5% over recent months.

Weakness in global financial markets in 2022 hit Luxembourg's mutual fund industry, contributing to a pronounced slowdown in the financial and insurance services sector in the last quarter of last year. Turmoil in the banking sector in some OECD countries in 2023 does not seem to have spread to Luxembourg so far. Global energy prices rose sharply in 2022 but their recent reversion towards historical averages has contributed to disinflation.

### Generous fiscal policy support measures are being extended:

Financial conditions are expected to keep tightening as a result of euro area monetary policy and are contributing to the correction in the housing market. In accordance with the social partners, the government legislated a fiscal support package last year, worth about 3% of GDP over 2022-23. The package helps the economy deal with the energy price shock and keeps inflationary pressures in check to limit the extent of the automatic wage indexation to inflation. It includes capping gas and electricity prices for all households, distributing subsidies to disadvantaged households and energy-intensive firms, and a one year cut of the value added tax (VAT) rate. A new agreement was reached in March 2023 to extend most measures to 2024. In addition, the government announced the indexation of the personal income tax brackets to inflation in fiscal year 2024 as well as a generous one-year personal income tax credit for 2023. These measures will result in a significant easing of the fiscal stance, with the budget balance expected to change from 0.2% of GDP in 2022 to a deficit of almost 2½ per cent of GDP in 2023.

### Growth will slow substantially in 2023 before picking up in 2024:

GDP growth is projected to slow to 0.8% in 2023. Tighter euro area and global financial conditions will reduce the volume of cross-border financial activities and increase borrowing costs, dragging down net exports and private investment. Activity will be supported by healthy domestic

**Briefing for Iceland visit – 13-15 June 2023**

consumption helped by rising disposable real incomes, on the back of three rounds of wage indexation and expansionary fiscal policy. Growth will pick up to 2% in 2024, benefitting from a modest recovery in exports and private investment and continued robust growth of domestic consumption. The unemployment rate will tick upwards, reaching over 5½ per cent in the first half of 2024. Headline inflation will decrease in 2023, due to the reduction in energy prices and the VAT rate cut, before rising slightly in 2024 due to the expiration of the VAT rate cut and wage pressures. Core inflation will increase in 2023, due to wage indexation, before easing in 2024. A larger-than-expected housing market correction represents a significant downside risk.

**The government should focus on embedding resilience:**

The government should scale back energy-related fiscal support while energy prices are in line with their historical averages and look to strengthen the fiscal balance. If energy and food prices spike again, support should be extended only to vulnerable households inadequately covered by the general social protection system. Looking ahead, addressing long-term fiscal pressures from the pension system due to ageing is a key priority. A reform of the wage indexation system to restrict indexation to non-energy price inflation would help to manage external price shocks. While Luxembourg has managed to close the gender wage gap, family policies, such as the harmonisation of paternity and maternity leave, should be introduced to attract more women into the labour market and bring their average working time more in line with that of men.

Briefing for Iceland visit – 13-15 June 2023

BRIEFING NOTE 6

Bilateral with Katrin Jakobsdottir, Prime Minister of Iceland

<b>When</b>	Wednesday 14 June 2023, 14:10 – 14:30
<b>Where</b>	Norðurljós at Harpa Concert Hall and Conference Centre Austurbakki 2, 101 Reykjavík, Iceland  Google maps link: <a href="https://goo.gl/maps/ZUZ2iheCX7ur6ptUA">https://goo.gl/maps/ZUZ2iheCX7ur6ptUA</a>
<b>Key Messages</b>	<ul style="list-style-type: none"><li>• Congratulations on your <b>presidencies of the Nordic Council of Ministers (NCM) and the Council of Europe</b> in 2023.</li><li>• We were pleased to work with your Embassy to <b>co-host a conference on Sustainable Islands in Shetland last month</b>. It's a great example of our shared priorities and it served as a contribution to the Icelandic presidency of the NCM.</li><li>• <b>Iceland is one of Scotland's closest partners</b> and recent months have seen a further expansion of policy and knowledge exchange between our governments, which we strongly welcome.</li><li>• We are particularly supportive of greater Scottish-Icelandic collaboration on <b>wind power and hydrogen</b>. We are keen to build on the visit to Scotland from your Parliament's Environment Committee in January and our officials' return visit to Reykjavik in April.</li><li>• A Scottish Minister is likely to travel to Reykjavik in October for the annual <b>Arctic Circle Assembly</b>.</li><li>• We value and welcome the continued collaboration between our governments, and other partners, in the <b>Wellbeing Economy Governments group</b>.</li></ul> <p>If circumstances allow: I understand you may participate in the <b>Edinburgh Book Festival in August</b>. If your diary allows, officials would be happy to set up a meeting with our FM.</p>
<b>Who</b>	Katrin Jakobsdottir, Prime Minister of Iceland See Annex B  [Redacted] UK Deputy Ambassador to Iceland, will sit in on this meeting.
<b>Why</b>	Building on regular Ministerial and official level engagement across a number of policy priorities in recent months, you will be able to reaffirm the Scottish Government's appreciation for its strong and fruitful bilateral relationship with Iceland.  [Redacted]  Noting Iceland's interest in Scotland's wind energy expertise, you may

## Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray

### Briefing for Iceland visit – 13-15 June 2023

	<p>also want to underline our appetite for continued knowledge exchange, expanding discussions to include hydrogen. <b>[Redacted]</b></p> <p>Iceland, along with Scotland, are founder members of WEGo and have ongoing interests in developing a wellbeing economy.</p>
<b>Official Support</b>	<b>[Redacted]</b> – Private Secretary Gary Gillespie – Chief Economist
<b>Dress code</b>	Business Attire
<b>Briefing contents</b>	<b>Annex A:</b> Summary <b>Annex B:</b> Biography <b>Annex C:</b> Top Lines:

Briefing for Iceland visit – 13-15 June 2023

ANNEX A

Summary Page

Background

**Iceland's Presidencies**

- In 2023, Iceland is holding the presidency of both the Nordic Council of Ministers (NCM) and, until the end of May, the Council of Europe (CoE).
- Iceland's Presidency of the Council of Europe focused on human rights, democracy and rule of law, the environment, equality as well as children and youth.
- In May 2023, Reykjavik played host to the 4<sup>th</sup> Summit of the Council of Europe. Ukraine dominated the agenda, with a clear message of unity demonstrated by all CoE leaders.
- The Summit's key outcome was the establishment of a Register of Damage, which will record and document evidence of damage, loss and injury caused by Russian aggression in Ukraine.
- The programme for the Presidency of the NCM emphasises collaboration around just energy transition, equalities and peace.

*Offer: Congratulations on both presidencies. Increasing Scottish involvement in projects promoted by the NCM and its agencies remains a priority for the Scottish Government. [Redacted]*

[Redacted]

Recent and Future Engagements

Prime Minister of Iceland Katrin Jakobsdóttir met the former First Minister several times – including at the Arctic Circle Assembly in October 2021 and at COP26. More recently, **Ms Jakobsdóttir met Cabinet Secretary Robertson** in the margins of the Arctic Circle Assembly in October 2022 (see below table).

**Sustainable Islands Network event – 16 and 17 May, Lerwick, Shetland**

- In collaboration with the Nordic Energy Research (NER) – an agency of the Nordic Council of Ministers – and the Icelandic Embassy in London, DEXA officials organised a study visit to Shetland from the NER-convened Sustainable Islands Network.
- The group consists of approximately 30 representatives from across the Nordic region (including Iceland) and serves as a forum for multilateral learning on green energy solutions for islands communities.
- The aim of the event was to encourage knowledge exchange between Scotland and the Nordic countries and promote the work that SG is carrying out to deliver on its commitment of establishing at least six fully carbon neutral islands by 2040.
- Cabinet Secretary Gougeon opened the conference.

**Offshore wind**

- In January 2023, the Icelandic Parliament's Environment and Communications Committee paid a study visit to Scotland with a focus on wind energy (particularly onshore wind), protected nature areas and public transport (connectivity between rural and urban areas).

**Briefing for Iceland visit – 13-15 June 2023**

- Among other engagements, the delegation met Mr Matheson (then Energy Secretary) and Mr Robertson and visited the Burnhead Moss wind farm.
- In partnership with the British Embassy in Reykjavik, SG officials organised a reciprocal visit to Iceland in April. Our delegation included SG's Offshore Wind and Marine Scotland officials and representatives from Scottish Power Renewables.
- There are early plans for a further visit to Scotland from Icelandic offshore wind experts and industry representatives later this year.

**Visit by Icelandic Minister for Food, Agriculture and Fisheries**

- Icelandic Minister for Food, Agriculture and Fisheries Svandís Svavarsdóttir is expected to pay a study visit to Scotland in September 2023 to learn more about our approach to agricultural research, peatland restoration and emissions reduction in agriculture.
- A bilateral meeting with Ms Gougeon has been included in the draft programme, which may also feature visits to the James Hutton Institute's facilities in Aberdeen and Dundee.
- PM Jakobsdóttir had herself expressed interest in increasing bilateral collaboration in these policy areas during her visit to Edinburgh in 2019.

**Mr Robertson's Meeting with PM Jakobsdóttir**

[Redacted]

Biographies

**Katrín Jakobsdóttir, *Prime Minister of Iceland***



Katrín Jakobsdóttir is the Prime Minister of Iceland and the Leader of the Left-Green Movement. She joined the Left-Green Movement in 2002 and has been a member of the Icelandic parliament, Alþingi, for the Reykjavík North Constituency since 2007. She has been the leader of the Left-Green Movement since 2013, having served as the deputy leader from 2003. Katrín was Minister of Education, Science and Culture, as well as Minister for Nordic Cooperation, in the left-wing government of 2009–2013. Katrín is Iceland’s second female Prime Minister and is the first elected head of state who comes from a new breed of Nordic left-wing parties that link democratic socialism, environmentalism, feminism and anti-militarism.

Katrín governs in a coalition with the conservative Independence Party and the centrist Progressive Party.

Briefing for Iceland visit – 13-15 June 2023

ANNEX C

Top Lines

Scottish-Icelandic Policy Links

**24/7 Carbon-free Energy Compact**

- The 24/7 Carbon-Free Energy Compact seeks to accelerate the decarbonisation of the world's electricity systems to ensure access to clean and affordable electricity for all.
- The compact comprises over 70 signatories including companies, investors, organisations and governments.
- Following Iceland's leadership, Scotland was the second country to sign up to the 24/7 Carbon-free Energy Compact on the occasion of Minister McAllan's visit to the New York Climate Week in September 2022.

**Barnahus**

- The Bairns' Hoose – based on the Icelandic model 'Barnahus' (child's house) – will bring together services in a 'four rooms' approach for child victims and witnesses of abuse and harm, with child protection, health, justice, and recovery services all made available in one setting. A key aim of the model is to reduce the number of times children must recount their experiences.
- The approach has gained international recognition. That's why Scottish Government has committed to ensure that every child referred will have access to services of a Bairns' Hoose.
- In 2021, the former First Minister visited a Barnahus facility in Iceland as part of her visit to the Arctic Circle Assembly to learn more about the concept, its development and delivery.
- We will begin a phased approach to implementation of Bairns' Hoose with a Pathfinder phase where National Standards will be tested in multi-agency partnerships, beginning later this year.

**Arctic work**

- Scottish Ministers have addressed the Arctic Circle Assembly in Reykjavik every year it has been held since 2016. The former First Minister attended three times (2016, 2017 and 2021).
- Arctic Connections, Scotland's first Arctic Policy Framework, was published in September 2019. It illustrates existing links, reflects on shared challenges (particularly those stemming from rurality and remoteness), and explores avenues for even closer cooperation between Scotland and Arctic countries.

**Human Rights**

- Earlier this year, Prime Minister Jakobsdóttir announced plans to establish an independent Human Rights Institute. It will have a broad mandate to work on the promotion and protection of human rights and inform the content of Iceland's national plan on human rights.
- Human Rights officials are seeking engagement with their Icelandic counterparts to identify opportunities for collaboration and mutual learning.

**Aquaculture**

- During his meeting with Cabinet Secretary Robertson and Scotland House London earlier this year, Icelandic Ambassador to the UK Sturla Sigurjónsson expressed interest in increasing Scottish-Icelandic collaboration in relation to the development of the land-based aquaculture sector which is currently the focus of the Icelandic Government.
- With assistance from the Icelandic Embassy in London, we have now been put in touch with relevant officials in Reykjavik and will soon arrange an official level meeting to discuss our respective aquaculture policies further.

## Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray

### Briefing for Iceland visit – 13-15 June 2023

#### BRIEFING NOTE 7

#### Bilateral with Bjarni Benediktsson, Minister of Finance and Economics, Iceland

<b>When</b>	Wednesday 14 June 2023, 15:00 – 15:30
<b>Where</b>	Ministry of Finance and Economics, Arnarhvol at Lindargata. <a href="https://goo.gl/maps/GPjzDRC6JwJoqbUMA">https://goo.gl/maps/GPjzDRC6JwJoqbUMA</a>
<b>Key Messages</b>	<ul style="list-style-type: none"><li>• Iceland is one of Scotland’s closest partners and recent months have seen a further expansion of policy and knowledge exchange between our governments, which we strongly welcome.</li><li>• We are particularly supportive of greater Scottish-Icelandic collaboration on wind power and hydrogen. We are keen to build on the visit to Scotland from your Parliament’s Environment Committee in January and our officials’ return visit to Reykjavik in April.</li><li>• We value and welcome the continued collaboration between our governments, and other partners, in the Wellbeing Economy Governments group.</li></ul>
<b>Who</b>	Bjarni Benediktsson, Minister of Finance and Economics, Iceland See Annex B  [Redacted], UK Deputy Ambassador to Iceland, will sit in on this meeting.
<b>Why</b>	Building on regular Ministerial and official level engagement across a number of policy priorities in recent months, you will be able to reaffirm the Scottish Government’s appreciation for its strong and fruitful bilateral relationship with Iceland.  Iceland, along with Scotland, are founder members of WEGo and have ongoing interests in developing a wellbeing economy.
<b>Official Support</b>	[Redacted] – Private Secretary Gary Gillespie – Chief Economist
<b>Dress code</b>	Business Attire
<b>Briefing contents</b>	<b>Annex A:</b> Summary <ul style="list-style-type: none"><li>• Iceland’s Medium-term Fiscal Strategy Plan 2024-2028</li></ul> <b>Annex B:</b> Biography <b>Annex C:</b> Top Lines: <ul style="list-style-type: none"><li>• Economy Dashboard</li><li>• Policy Prospectus</li><li>• New Deal Business Group</li><li>• Cost Crisis</li><li>• Net Zero Economy</li><li>• A Trading Nation: A Plan for Growing Scotland’s Exports</li></ul> <b>Annex D:</b> OECD Iceland Economic Outlook June 2023

**Briefing for Iceland visit – 13-15 June 2023**

**ANNEX A**

**Summary Page**

**Background/Discussion Topics**

Possible topics you may wish to ask about include the green transition, support to and relationship with the business community and the cost crisis.

See section below on current economic policy priorities in Iceland.

Iceland topped the World Economic Forum's Global Gender Gap Report again in 2022 (see [here](#)). In addition, the Icelandic Gov has long adopted a gender responsive budgeting – more [here](#) – and in April they published a [paper on Financing for Gender Equality](#).

Iceland issues bonds for green, blue, social and gender projects. [Sustainable financing framework](#)

**Medium Term Fiscal Strategy Plan**

The Icelandic Government published a Medium Term Fiscal Strategy Plan in March 2023, with a focus on countering inflation, safeguarding living standards and supporting growth.

The [news release](#) for the plan includes the follow sections on Icelandic economic policy:

**A new and stronger economy**

In recent years the Icelandic economy has undergone a positive transformation, which is continuing at a rapid pace, not least due to new and vital pillars of the country's economy. Unprecedented investment has been directed to research and development and 2,000 new jobs have been created in hi-tech and industrial sectors in two years. Export earnings in intellectual property increased by 17% in nominal terms between 2020 and 2022, and the sector has significant growth potential. Major investments are in the pipeline in aquaculture and Icelandic fisheries is steadily advancing. Tourism has regained its previous level following the pandemic. Few societies are better placed to take advantage of the global climate and energy revolution.

**30 thousand jobs since the pandemic**

The vitality in Icelandic society has resulted in better living standards than in most other countries. Unemployment is at a minimum, and strong growth has resulted in the creation of nearly 30,000 jobs from the lowest point during the COVID pandemic. Purchasing power generally has increased significantly, and the purchasing power of wages among the lowest-paid private-sector groups generally rose in 2022, despite higher inflation. Taxes have been reduced, salaries have increased significantly and social security benefits have been increased. The purchasing power of households' disposable income was ISK 200 billion higher in 2022 than in 2019 and never have more people bought their first home than in 2020 and 2021. Household defaults on loans have not been less than in 2022 since statistics on this have been gathered.

**Prioritising growth**

Accompanying the restraint in state operations will be prioritisation of further infrastructure improvement and value creation. As before, the focus is on taking advantage of growth in the economy and the sale of government assets to invest in a stronger society.

## **Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray**

### **Briefing for Iceland visit – 13-15 June 2023**

Support to improve the situation of low-income earners and protect people's livelihoods will be continued. Numerous measures have been implemented to that end in recent years, including a large reduction in income tax, increases in social security benefits, increases in housing and interest benefits as well as higher limits for reductions to benefits, almost doubling the earnings excluded from assessment for disability pensioners, and a special child benefit increase. In addition, efforts have been made to simplify and improve the child benefit system. During this Medium-term Fiscal Strategy plan period, an overall review will be made of the disability pension system, which will include greater emphasis on support earlier in the illness period than is currently the case, preventive measures in the labour market, and a review of the amounts of payment categories, with the aim of improving the situation of the least well off.

### **Recent Engagements**

Derek Mackay, former Cabinet Secretary for Finance and the Economy, and Gary Gillespie, Chief Economist, previously met with Mr. Benediktsson in September 2019.

Guest List/Attendee Biographies

**Bjarni Benediktsson, *Minister of Finance and Economic Affairs, Iceland***



Bjarni Benediktsson took office as minister of finance and economic affairs in 2017. Member of the Icelandic parliament Althingi for Southwest Iceland since 2003, Bjarni Benediktsson has been leader of the Independence party since 2009. He was minister of finance and economic affairs from April 2013 to January 2017 when he became prime minister.

Top Lines

Economy Dashboard

Latest economic statistics

- **GDP:** Scotland's GDP remained flat (0.0%) in March 2023 (UK: -0.3%) and more broadly grew 0.4% over Q1 2023 (UK: 0.1%) with the quarterly pace of growth strengthening slightly from the second half of 2022.
- **Business activity:** PMI monthly business survey data for Scotland indicated a third consecutive month of growth in business activity in April (54.3) at the strongest rate in ten months.
- **Labour market:** In Q1 2023, Scotland's unemployment rate was 3.1% (down 0.1 p.p annually), the employment rate was 75.3% (down 0.2 p.p), and the inactivity rate was 22.2% (up 0.3 p.p).
- **Payrolled employees:** In April 2023, there is an estimated 2.43 million payrolled employees in Scotland, down 5,000 over the month, however 48,000 higher than in February 2020 prior to the pandemic.
- **Job vacancies:** Vacancy rates remain elevated however recruitment activity has softened. Weekly online job vacancies (w/b 19 May) were 45% higher than in Feb 2020 (down from +56% during Oct), while the RBS Report on Jobs shows demand for permanent staff rose in April but at its slowest pace since the start of 2021.
- **Labour shortages:** At the end of April, 38% of businesses reported experiencing a shortage of workers, down from a recent peak of 45% during August 2022 but broadly in line with the same point last year.
- **Inflation:** UK inflation fell to 8.7% in April, down from 10.1% in March, and from its recent peak of 11.1% in October. The fall over the month was largely driven by the fall in the contribution of electricity and gas prices as the sharp rises last April dropped out of the annual comparison. However, wider inflationary pressures remain. Food and non-alcoholic drink prices rose 19.1% over the year to April. In May, the Bank of England forecast inflation to fall to 5.1% in Q4 2023.
- **Earnings:** PAYE median monthly nominal pay grew 9.3% over the year in April and by 0.6% in real terms. This is the first positive annual real terms growth since January 2022, though was moderate overall.
- **Scottish Consumer Sentiment:** The Scottish Consumer Sentiment Indicator strengthened in March to -13.6, its highest level since July 2022, however remains below the series average overall and reflects weak household sentiment regarding the economy, household financial security and spending.
- **Trade:** Comparing with the previous year, when oil and gas are excluded, Scotland's international goods exports increased by 20.5% in 2022 compared to 2021. This compares to a 13.3% increase for the UK.
- **Forecast:** Latest economic forecasts from May remain subdued. The Scottish Fiscal Commission forecast Scotland's economy to grow 0.2% in 2023 rising to 0.9% in 2024. At a UK level, the Bank of England forecast the UK economy to grow 0.25% in 2023 rising to 0.75% in 2024.
- **Govt borrowing costs:** Govt 10-year bond yields have risen sharply over the past year as inflation, interest rates and economic risks have risen. Bond yields at 30 May: UK (4.27%); Germany (2.38%); US (3.73%).

Briefing for Iceland visit – 13-15 June 2023

**GDP and labour market**

- Scotland's GDP remained flat (0.0%) in March 2023 and grew 0.4% over the first quarter as a whole.
- In January – March, the unemployment rate was 3.1% (down 0.1 p.p annually).

GDP: Monthly Growth Rates in 2022 and 2023 (%)									
	2022						2023		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Scotland	0.1	0.2	-0.7	0.7	0.1	-0.6	0.5	0.3	0.0
UK	0.4	0.0	-0.7	0.7	0.2	-0.5	0.5	0.0	-0.3

**Labour Market: January – March 2023**

		Rate (%)	Change (% pt) over:		Level ('000)	Change (000's) over:	
			Quarter	Year		Quarter	Year
Scotland	Employment	75.3	-1.2	-0.2	2,683	-60	-5
	Unemployment	3.1	-0.2	-0.1	86	-7	-2
	Inactivity	22.2	1.4	0.3	766	49	13
UK	Employment	75.9	0.2	0.3	32,995	182	363
	Unemployment	3.9	0.1	0.2	1,329	60	71
	Inactivity	21.0	-0.4	-0.4	8,730	-156	-134

**Next Key Releases**

Scotland					UK		
S&P Global: Survey	RBS PMI Business			11 June	Bank of England Money and Credit		1 June

**Policy Prospectus**

The First Minister's Policy Prospectus, sets out how the government will deliver for Scotland over the next three years, with three missions, centred on the themes of equality, opportunity and community.

The prospectus includes an explicit commitment for the Scottish Government to use all of the powers we have to support economic growth to help businesses and trade to thrive and to maximise the opportunity for a fair green economy.

The Cabinet Secretary for Wellbeing Economy, Fair Work and Energy has committed that by 2026, he will have:

- Supported the creation of more high quality jobs, stronger businesses, and vibrant communities by working with businesses and other partners to raise the rate of investment in productive assets.
- Increased the number of people earning at least the real living wage, working in jobs that meet Fair Work principles, and contributing to society through fulfilling and increasingly productive work, narrowing the gender pay gap.

### Briefing for Iceland visit – 13-15 June 2023

- Helped more people, including parents, into work, through employability support, skills support and high quality early learning and school age childcare provision, with fewer people unable to work due to ill health or disability.
- Put Scotland on track to become a leading European start-up nation, in which more businesses are created and grow to scale.
- Supported the emergence of internationally competitive clusters of excellence – including in green technologies, health & life sciences, digital and advanced manufacturing – driven by investment and innovation.
- Worked closely with regional and local partners, including Local Government, to drive regional economic empowerment and ensured that our programme of community wealth building is improving resilience and seizing economic opportunities that exist across the country.
- Supported the sustained growth of international exports while diversifying into new markets; with more, higher-quality, inward investment, and Scotland's attractiveness as a location for inward investment improving.
- Seized the major opportunities to attract a pipeline of investment across sectors to secure the economic and community benefits from the just transition to net zero, and ensured we continue to tackle fuel poverty, working with our advisory panel, to progress towards our statutory fuel poverty targets.
- Maximised the economic, supply chain, and employment opportunities of renewable hydrogen projects, and onshore and offshore wind, with up to £1.4 billion of developer supply chain commitments on average across ScotWind.
- Laid the foundations for delivering 5 gigawatts of hydrogen production by 2030 and the development of a hydrogen supply chain in Scotland.
- Worked with industry to accelerate decarbonisation and create energy transition opportunities at major industrial sites such as Grangemouth.

### New Deal Business Group

- Work to deliver the policy prospectus is moving forward and a new group, exploring how the Scottish Government can better support businesses and communities using the policy levers has held its first meeting on 17 May, with a further meeting on 1 June
- The New Deal Business Group is co-chaired by the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy and Dr Poonam Malik and it will meet three times before the end of June. It includes members from businesses and business organisations, COSLA and the Scottish Government.
- The group is focussing on four key areas - economic conditions and performance; ensuring the best environment to do business; enhancing partnership working; and a transition to a wellbeing economy. Sub-groups will also consider the development and implementation of regulations as well as further enhancements to the Non-Domestic Rates system, following the final implementation of the independent Barclay Review.
- Ministers continue to engage with business outside the parameters of the group. They are currently carrying out on average 100 engagements per month.

**Briefing for Iceland visit – 13-15 June 2023**

**Cost Crisis**

- Scotland continues to face a cost-of-living crisis. The current high levels of inflation, are disproportionately hurting the most vulnerable in society and heaping more pressure onto our public services.
- We have consistently called for the UK Government to provide additional support to people with the cost of living crisis – but the Chancellor has failed to deploy the full range of powers available to him to make a real difference to people’s lives.
- The OBR has said that living standards will have fallen by 6% by the end of 2023-24 - the largest two-year fall since ONS records began in the 1950s.
- We continue to urge the UK Government to use all the powers at its disposal to tackle the cost-of-living crisis on the scale required, including access to borrowing, providing benefits and support to households, VAT rates, taxation of windfall profits and regulation of the energy market.
- The Scottish Government is doing what it can with its limited powers to ensure people receive the help they need. Whilst we have had a cash increase in the budget of £1.7bn, the impact of inflation is being felt and, in real terms, the block grant is 4.8% lower than it was in 2021-22.
- We recognise the pressure on household budgets which is why both last year and this, we have allocated almost £3bn to support policies which tackle poverty and protect people as far as possible during the ongoing cost of living crisis.

**Net Zero Economy**

- The global transition to net zero and climate adaptation will transform the global economy – presenting enormous opportunities for Scotland’s, although there are risks to be managed.
- Scotland’s commitment to a just transition means planning and acting in a way that maximises and captures these opportunities – including better, secure jobs; growing, innovative businesses and supply chains; investment and trade and building our economic resilience to underpin a wellbeing economy.
- Scotland has strengths in renewable energy and our offshore natural assets – particularly offshore wind and potential for vast carbon storage; underpinning strengths and potential for hydrogen development and exports; expertise and skills in the decarbonisation of heat and leading innovations in zero emissions heavy duty vehicles as well as innovative, cross-cutting technologies such as data, sensors and software.
- Our draft Just Transition Plans, due to be published alongside the draft Climate Change Plan this Autumn (2023), will set out concrete actions and roadmaps of how we will capture these opportunities.
- According to ONS data, Scotland’s net zero economy (defined narrowly around low carbon and renewable energy) generates £8.7bn turnover and employs over 28,000 people across Scotland.
- Analysis shows the number of low carbon energy production jobs is estimated to rise from 19,000 in 2019 to 77,000 by 2050 as the result of a just energy transition, meaning there will be more jobs in energy production in 2050 than there are now.
- Scotland’s offshore assets are a key strength and area of potential: ScotWind will deliver over £750m in revenues for the public purse through the initial awards alone, and developers have

**Briefing for Iceland visit – 13-15 June 2023**

committed to invest an average of £1.4 billion per project, which equates to more than £28bn across the 20 ScotWind offshore wind projects.

- The recent announcement that Japanese company, Sumitomo Electric is coming to Scotland to build a cable manufacturing plant demonstrates the strength of confidence investors have in our net zero economy vision.
- The Scottish Government has committed to investing £100 million over this parliament to supporting the green hydrogen sector and this month (10 May) the First Minister announced that £7 million is being invested in projects to drive innovation in the production, storage and distribution of renewable hydrogen. The investments will be made in 32 projects across the country.
- The Innovation and Targeted Oil and Gas (INTOG) offshore wind leasing round creates further potential for floating offshore wind supply chain in Scotland, with 13 projects announced as winners of exclusivity agreements on 24 March 23.

**A Trading Nation: A Plan For Growing Scotland's Exports**

**A Trading Nation – Why?**

- A Trading Nation (ATN) was launched in 2019 with an ambitious target of increasing international exports from 20% to 25% of GDP over the next 10 years. This would increase GDP by around £3.5bn per annum and create 17,500 more jobs with an increased tax take of around £500m per annum.
- ATN takes an evidence-led approach to set the direction on how best to grow Scotland's exports by focusing our policies and resources on the priority markets (where), sectors (what) and businesses (who) to best deliver that growth (how).
- Evidence shows that: (i) Europe and the US are our top exporting destinations; (ii) our export sectoral strengths are in: food & drink, energy; engineering services and manufacturing; life and chemical sciences; technology, and financial and business services; and (iii) we should refocus our support towards our top 1,200 exporters.

**Delivery to Date – What?**

We work closely with a range of public and private partners to deliver ATN, and in particular with Scottish Development International (SDI) which is the international arm of Scottish Enterprise. SDI has 30 offices in 23 countries across Europe, North America and Asia and works closely with SG offices in Washington, Beijing, Ottawa, Berlin, Copenhagen, Paris and London.

*Showcasing Scotland*

- We have delivered a successful and high-profile international Ministerial visits programme across Europe, America, UAE and Southeast Asia to boost export growth and attract inward investment into Scotland, which is key towards Scotland's economic transformation.
- We have showcased Scotland's strengths at Dubai EXPO (Oct 21 to March 22) focused on energy transition, space, and digital health. Scotland's presence attracted online and in person audiences of more than 1000, 95 media articles with 2.8m online coverage views and projected revenue forecasts for participating Scottish companies in excess of £89m.
- We have delivered 71 trade missions as part of the International Trade Partnership 2 programme with more than 700 companies and 16 Chambers of Commerce participating, with projected sales of £12.5m (as of March 2022).

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*International Networks*

- We have added 15 trade specialists to our SDI overseas network and adjusted their footprint to focus on our top priority markets.
- We have added over 1,100 top exporters to the GlobalScot digital platform providing easier access to our growing network of 1,200 GlobalScot volunteers across over 60 markets.
- We have increased the number of Scottish Government Trade & Investment Envoys, high profile business people with specialist knowledge and networks in particular geographies or sectors, from 4 to 11m.
- We have built good links at Ministerial and official level with the UK Department for Business and Trade, and in particular with HM Trade Commissioners.

*Domestic Support*

- We have refocused SDI's trade support effort to our top 1200 exporters, where increased sales from this cohort provide the most economic benefit to Scotland.
- Through the FM Export Challenge we have supported 190 businesses to further internationalise and scale up, delivering forecast export sales of £195m with 451 jobs created (as of March 2022).
- We have developed and published Sector Export Plans for Tech, Life Sciences and Renewables in partnership with our Agencies and industry.

*Smart Segmented Support:*

- Delivered an additional £3bn of planned international sales (over a three-year period) through over 1300 company projects
- Supported Scottish exporters to enter over 350 markets new to them from May 2019
- to March 2022, with over 250 new products and services leaving Scotland for these markets, with a focus on ATN's Top 15 priority markets.

*Ministerial Trade Board*

- The Board advises, gives feedback, and provides industry insight and a challenge function on the delivery of ATN.
- In 2022 we refreshed the membership of the Trade Board, which reflects representatives of key sectors in ATN, as well as SMEs, large businesses, and membership organisations.

**Upcoming Priorities and Decisions – Where Next?**

- For 2023-24 we plan to continue to deliver international Ministerial visits across priority sectors and countries as set out in ATN. **[Redacted]**
- We are leveraging Dubai EXPO relationships to deepen collaboration with the UAE in low carbon energy transition and infrastructure opportunities.
- On future international events we are currently planning trade and investment activity at New York Climate Week (April) and COP 28 (Nov) to showcase Scottish low carbon energy transition expertise.
- We will refocus and better target our export support efforts in North America through an in depth study of opportunities across the USA and Canada.
- We will improve the vibrancy and diversity of the GlobalScots network. We will also increase demand through adding more businesses to the online platform and explore options to improve connectivity with other social media channels.

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- An external evaluation of return on investment will produce initial findings in June, allowing us to assess the value of both our individual policy delivery interventions under ATN, but also their comparability
- We will publish an Hydrogen Export Plan by the end of 2023, setting out how we will realise the ambitions within the wider Hydrogen Action Plan, for Scotland to trade internationally on the sale of Hydrogen as a commodity, but also the related goods and services Scotland will establish in relation to this new energy sector
- The Ministerial Trade Board will expand its ‘task and finish’ approach, building on previous work through its eCommerce sub-group. The new Board recently established two further sub-groups on Showcasing Scotland and Peer to Peer business support, to explore those aspects of ATN delivery in more detail.
- We are refreshing SDI’s approach to smart segmented export support in 23-24, to reflect the transition of Scottish exporters from recovery, post Brexit, to growth, and ensuring this delivery aligns with actions and priorities of our published Sector Export Plans.

**Key Stats and Data**

- The pandemic presented major challenges to Scottish businesses and led to a 21% decrease (down £7.2 billion) in Scotland’s goods exports in 2020.
- Scottish Government analysis shows that Scotland’s trade in goods with the EU was 12% lower in 2021 resulting from exiting the EU – a key export market for Scotland.
- Despite this changing landscape, Scotland’s international exports remain at around 21% of GDP. Furthermore, the latest trade data shows Scottish goods export performance improving and outperforming the UK.
- Comparing the first nine months of 2022 to the first nine months of 2019, when oil and gas are excluded, Scotland’s international goods exports increased by 16.7%, compared to a 2.4% increase for the UK
- Scotland is the only part of the UK with a positive trade balance in goods with the Rest of the World, exporting £2.2bn more goods than it imported in 2021.

OECD ICELAND ECONOMIC OUTLOOK JUNE 2023

**Summary**

Economic growth will come down to 4.4% in 2023 and 2.6% in 2024. Private consumption will slow as wages moderate. So will business investment as financial conditions continue to tighten, and public investment will barely grow. In contrast, residential investment will pick up in the near term to work off pent-up demand. Export growth will slow given only modest growth in major trading partners. The unemployment rate will gradually rise towards 4.5% by the end of 2024. Headline inflation is expected to decline from around 10% in early 2023 to around 3% by late 2024. In May, the central bank lifted the policy rate to 8.75%, the thirteenth increase since tightening started in May 2021 at 0.75%. The policy interest rate could be raised further to re-anchor inflation expectations and bring back inflation towards the 2.5% target. The fiscal consolidation planned for 2023-24 is appropriate to reduce inflationary pressures and maintain fiscal space. To foster sustainable productivity growth and help diversify the economy, innovation should be strengthened further, and the gender balance should become more equal across sectors.

**Growth has peaked:**

The economy is slowing gradually, despite foreign tourism heading rapidly towards pre-pandemic levels. Exports of goods and services rich in energy content are weakening as global energy prices have come down. Household consumption is moderating. The late 2022 wage agreements may have halted the decline in real wages. Business investment is slowing as financial conditions become tighter and confidence declines. Government investment is barely growing. Inflation is hovering at around 10% since early 2023. The labour market remains tight, with the unemployment rate at around 3.5%, and labour participation continues expanding.

**Monetary and fiscal policies continue to be tightened:**

In May, the central bank raised the interest rate by 125 basis points to 8.75%, the thirteenth increase since the cycle started in May 2021. Headline consumer price inflation peaked at around 10% in February and has flattened since as house prices are slowing, but underlying inflation has become more broad-based. The policy interest rate is expected to rise further to peak at around 9% in mid-2023. The króna has slightly appreciated over the past few months. Fiscal policy, which was contractionary in 2022, is projected to be tightened further in 2023 and 2024. This is necessary to counter inflationary pressures and to build up post-pandemic fiscal space.

**The economy will slow:**

Economic growth is expected to decline from 6.4% in 2022 to 4.4% in 2023 and 2.6% in 2024. Household consumption will slow as real wages continue to decline. Export growth of energy-intensive goods will moderate as global energy prices will remain below their peak of 2022. Foreign tourism will no longer expand as fast, as domestic capacity limits become more apparent and economic growth remains moderate in major origin countries. Tighter financial conditions will weigh on business investment. Housing investment will recover in 2023 as pent-up demand is worked off but will abate in 2024 as higher real interest rates bite. The unemployment rate will edge up towards 4.3%. Inflation will gradually slow in the wake of macroeconomic policy tightening, although it is projected to stay above target at the end of the projection period. Inflation could remain higher than expected if wages are rising faster than agreed in wage settlements, triggering a wage-price spiral. Global financial risks, including the bank failures seen in the United

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States and Switzerland, could contaminate Iceland's domestic financial sector. A sharp fall in house prices could spark a financial crisis.

**Fostering innovation could underpin growth:**

Iceland outranks many European countries in terms of overall innovation performance, including cutting edge technology for carbon capture and sustainable fish farming. Firms perform well overall in the adoption and use of digital technologies, although smaller firms tend to lag. To foster sustainable growth and help diversify the economy further, regulatory reform should ease market access for young and innovative firms. Adoption of new technologies, notably digital, should be encouraged further. The education system should provide more relevant skills and contribute to a more equal gender balance across professions and economic sectors, especially in areas that are important for a creative and innovative economy.

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BRIEFING NOTE 8

Geothermal Exhibition Power Plant Visit

<b>When</b>	Wednesday 14 June 2023, departing at 15:45 (30 -40-minute drive from Ministry of Finance). The duration of the visit will be around 1 hour plus travel time.
<b>Where</b>	ON Geothermal Exhibition at Hellisheiðarvirkjun, 816 Ölfus  Google maps link: <a href="https://goo.gl/maps/wZvCBR6qgnaQAGRFA">https://goo.gl/maps/wZvCBR6qgnaQAGRFA</a>
<b>Key Messages</b>	<ul style="list-style-type: none"> <li>• Geothermal energy is the natural heat that exists in the ground beneath our feet. This heat can be used for space and water heating.</li> <li>• Scotland’s geology provides the potential for deep geothermal to contribute to heat decarbonisation. The 2021 Heat in Buildings Strategy includes a commitment to continue to explore this potential.</li> <li>• The Scottish Government continues to work with stakeholders to improve understanding of Scotland’s deep geothermal resource and how it can help the journey to net zero.</li> </ul>
<b>Who</b>	<p>You will visit the geothermal power plant and hear about the plant, the operating company ON Power and Carbfix, a carbon capture and storage company. You will meet: <b>[Redacted]</b></p> <p>An Icelandic official, <b>[Redacted]</b>, who leads the Sustainability team will be joining you as a guide. <b>[Redacted]</b></p>
<b>Why</b>	The exhibition is at one of the largest single-suite geothermal power plants on the planet. Visitors to the geothermal exhibition are presented with a unique and exciting opportunity to learn about geothermal power and sustainable energy in Iceland. Visitors can see into the turbine halls of the plant, enjoy interactive and educational displays, and learn about the partnership with Carbfix, a leading solution for CO2 storage.
<b>Official Support</b>	<b>[Redacted]</b> – Private Secretary Gary Gillespie – Chief Economist (tbc) <b>[Redacted]</b> – Senior Economist (tbc)
<b>Dress code</b>	Business Attire
<b>Briefing contents</b>	<b>Annex A:</b> Programme <b>Annex B:</b> Biographies <b>Annex C:</b> Summary Page <b>Annex D:</b> Top Lines:

**Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray**

**Briefing for Iceland visit – 13-15 June 2023**

	<ul style="list-style-type: none"><li>• Energy Strategy and Just Transition Plan</li><li>• Just Transition</li></ul>
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Briefing for Iceland visit – 13-15 June 2023

ANNEX A

Programme

Departure to the Geothermal Power Plant at Hellisheidi.	15.45
<ul style="list-style-type: none"><li>• Welcome remarks <b>[Redacted]</b></li><li>• ON Power presentation, <b>[Redacted]</b></li><li>• Carbfix presentation, <b>[Redacted]</b></li><li>• Visit to Co2 Injection House Carbfix <b>(TBC)</b></li></ul>	16.15 Arrival and Preliminary Agenda (estimated 1 hour)
: Return to hotel	17.15-17.45

**Biographies**

**[Redacted]**

Briefing for Iceland visit – 13-15 June 2023

ANNEX C

Summary Page

Background

Mr. Gray has been invited to visit a Geothermal power plant, about 25km east of Reykjavik: <https://www.south.is/en/service/on-geothermal-exhibition-at-hellisheidarvirkjun>.

The Hellisheidi Geothermal Power Plant produces hot water and electricity. The plant was launched in 2006 and has a capacity of 200 MW in thermal power and 303 MW in electricity. In litre terms, it produces 950 litres per second. Everything beyond the geothermal fluids generally runs into the re-injection system down to the groundwater system in the geothermal reservoir. A hydrogen sulphide abatement unit is located at the plant, which uses the Carbfix process to filter out 75% of the hydrogen sulphide and 30% of the carbon dioxide which is dissolved in the geothermal fluids and conducted into the re-injection system.

There is a geothermal exhibition at the site where visitors are presented with a unique and exciting opportunity to learn about geothermal power and sustainable energy in Iceland. Visitors can see into the turbine halls of the plant, enjoy interactive and educational displays, and learn about the partnership with Carbfix, a leading solution for CO2 storage.

The plant is run by ON Power, an Icelandic power company, headquartered in Reykjavík, that produces and sells electricity to industry and households by harnessing renewable, mainly geothermal, resources. ON Power also provides water for space heating in Reykjavík and surrounding areas. ONPower is a subsidiary of Reykjavik Energy, which is predominantly owned by the City of Reykjavik.

Carbfix was established as a subsidiary of Reykjavik Energy (OR) in late 2019 and began operations as a separate entity on January 1st 2020. The company's mission is to become a key instrument in tackling the climate crisis by reaching one billion tons of permanently stored CO2 (1 GtCO2) as rapidly as possible.

Reykjavik Energy (Orkuveita Reykjavíkur) is an Icelandic energy and utility company that provides electricity, geothermal hot water through district heating and cold water for consumption and fire fighting. It also operates a wholesale access fiber network and waste-treatment facilities.

**Scottish Position on Geothermal**

- Geothermal energy is the natural heat that exists in the ground beneath our feet. This heat can be used for space and water heating.
- Scotland's geology provides the potential for deep geothermal to contribute to heat decarbonisation. The 2021 Heat in Buildings Strategy includes a commitment to continue to explore this potential.
- The Scottish Government continues to work with stakeholders to improve understanding of Scotland's deep geothermal resource and how it can help the journey to net zero.

**Briefing for Iceland visit – 13-15 June 2023**

**Heat in Buildings Strategy**

The Heat in Buildings Strategy sets out the Scottish Government's vision for the future of heat in buildings, and the actions being taken in the buildings sector to deliver climate change commitments, maximise economic opportunities, and ensure a just transition, including helping address fuel poverty. The Strategy recognises the potential role which geothermal could play, for some communities, in the decarbonisation of heat.

**Scotland's deep geothermal potential**

Significant potential for deep geothermal in Scotland has been identified in:

- Abandoned mineworkings (Scotland's Midland Valley is underlain, in many parts, by a network of abandoned mines);
- Hot sedimentary aquifers (bodies of permeable rock that can conduct significant quantities of groundwater); and
- Hot dry rocks (the best prospects of which, in Scotland, are likely to exist in East Grampian and to the north of Inverness).

**Regulatory Guidance**

To help promote awareness amongst stakeholders of the regulatory framework for deep geothermal projects in Scotland, a guidance document was developed in liaison with the relevant regulatory authorities and is available on the SG website.

**Glasgow Observatory**

The Glasgow Observatory is one of three sites which form the British Geological Survey's UK Geoenery Observatories project. Data collected from the 12 boreholes which have been drilled at the site will help improve understanding of the role that minewater geothermal can play in decarbonising heat in homes and businesses. The research site was officially opened on 7 December 2020 and datasets are regularly published on the Observatory's website.

**IEA Minewater Energy Expert Group**

The Department for Energy Security and Net Zero is the UK delegate on the Minewater Geothermal Group set up under the International Energy Agency (IEA) Geothermal Technology Collaboration Programme. The British Geological Survey provides support to the UK Government in this role. In 2022, a new stakeholder group was set up to provide an international forum for discussion about minewater geothermal potential and to support the UK Government's membership of the IEA Minewater Geothermal Group. The IEA Minewater Energy Expert Group is chaired by the British Geological Survey and the Scottish Government is represented, on the group, by the Energy Industries Division.

**National Geothermal Innovation Centre**

The Net Zero Technology Centre is developing proposals for a national geothermal innovation centre. A series of workshops is being held with stakeholders to assist with the development of the proposals.

## Top Lines

### Energy Strategy and Just Transition Plan

#### **The draft Energy Strategy and Just Transition Plan sets out a vision for a future net zero energy system.**

- Scotland has the skills, talent and natural resources with which to become a global renewables powerhouse. Our draft Energy Strategy and Just Transition Plan, published on 10 January 2023, sets out our vision to achieve this: an energy system that delivers affordable, resilient and clean energy supplies.
- The draft Energy Strategy and Just Transition Plan has been informed by a programme of independent work and analysis to better understand our energy requirements as we transition to net zero.
- The consultation on the draft Strategy closed on 9 May and we have received a very high level of responses. We have commissioned independent analysis of the consultation responses and will fully consider stakeholders' views as we develop the final strategy.
- Throughout the consultation period we have engaged with a wide range of people to ensure everyone has the opportunity to shape the energy transition.
- The draft ESJTP lays out over 150 actions, as well as consulting on further actions, to help maximise a just transition to net zero for our economy, communities, business and workers.
- Our ambition to grow renewables in Scotland by an additional 20GW of renewable generation could power every house in Scotland for over 7 years.
- This means we can not only generate enough cheap green electricity to power Scotland's economy, but also export electricity to our neighbours, supporting jobs here in Scotland and the decarbonisation ambitions of our partners.
- We must continue to change the way we use energy – reducing demand across our heat and transport sectors and replacing fossil fuel demand with zero carbon technologies.
- As oil and gas production naturally declines, jobs in low carbon energy production could increase to 77,000 by 2050, delivering a 7,000 net increase in jobs across the energy production sector compared with 2019.
- Our draft Energy Strategy and Just Transition Plan sets out the actions the UK Government needs to take action and work with Scottish Government under the current constitutional settlement to deliver Scotland's full energy potential.
- The final version of the Energy Strategy and Just Transition Plan will be published once we have conducted a thorough review of the consultation responses and engaged with the full range of stakeholders.
- As we work towards finalising the ESJTP, we will continue to engage with a range of stakeholders.

**Briefing for Iceland visit – 13-15 June 2023**

**Just Transition**

- We are committed to Scotland being at the forefront of a fair, green transformation. Meeting our climate ambition will require a rapid transformation across all sectors of our economy and society. A just transition delivers on our social, economic and climate goals, harnessing the transition to build a better and more equal society.
- We are world renowned for having underpinned our net zero targets with a legislative commitment to a just transition and have published our draft 'Energy Strategy and Just Transition Plan' outlining proposals for Scotland's renewables revolution to be accelerated as North Sea basin resources decline.
- This would result in a net jobs gain across the energy production sector, with the potential to increase renewable energy exports and reduce exposure to future global energy market fluctuations.
- The Strategy also sets out recommended actions for the UK Government to take in reserved policy areas, including powers relating to energy security, market mechanisms, network investment and market regulation.
- Scottish Ministers have invited the UK Government to join an Energy Transition delivery group to drive forward the vision set out in the Strategy.
- The UKG has announced the Floating Offshore Wind Manufacturing Investment Scheme (FLOWMIS) with up to £160m in grant funding available to support delivery of port infrastructure to facilitate floating offshore wind. In a letter to UKG the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy has stated that it is essential that SG officials are fully aware of any application made under FLOWMIS by a Scottish port operator and has requested ongoing updates.
- A consultation has launched on Permitted Development Rights (PDR) – which grants permission for certain types of developments through national legislation meaning they can go ahead without a formal planning application - focussing on renewable energy equipment, replacement windows, electricity network infrastructure, reverse vending machines and temporary use of land for shooting ranges.
- The proposals would make it quicker and cheaper for businesses and homeowners to install equipment including solar panels and heat pumps, helping reduce their bills and cutting carbon emissions.

OFFICIAL - SENSITIVE

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	Neil Gray Cabinet Secretary for Wellbeing, Economy, Fair Work and Energy
<b>Type of engagement</b>	Bilateral Meeting Requested by Icelandic Government
<b>Date</b>	Wednesday 14 June 2023
<b>Attending Official(s)</b>	<b>(Redacted)</b> , SG Private Office Gary Gillespie , SG Chief Economist <b>(Redacted)</b> , Deputy UK Ambassador (Iceland)
<b>Who</b>	Katrin Jakobsdottier (Iceland PM) <b>(Redacted)</b> (PMs Office) <b>(Redacted)</b> (PMs Office)
<b>Key Points</b>	<b>(Redacted)</b>
<b>Action points</b>	<b>(Redacted)</b>
<b>Comment</b>	<b>(Redacted)</b>

OFFICIAL - SENSITIVE

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	Neil Gray, Cabinet Secretary Wellbeing Economy, Fair Work and Energy
<b>Type of engagement</b>	Bilateral Meeting
<b>Date</b>	Wednesday 14 June 2023
<b>Attending Official(s)</b>	<b>(Redacted)</b> , SG Private Office Gary Gillespie, SG Chief Economist
<b>Who</b>	Paulette Lenert, Deputy PM and Minister of Health, Luxembourg Luxembourg Govt PO
<b>Key Points</b>	<p>A brief meeting at conference centre following their presentations.</p> <ul style="list-style-type: none"> <li>• Interest in how we had developed our Wellbeing Indicators and moved forward with WEGO.</li> <li>• NSET – how had we built Wellbeing Economy into our economic strategy and developed tools for economic development.</li> <li>• Discussion of how health and economy are intertwined and linked to wellbeing.</li> <li>• Need for health to link more closely to economic policy.</li> </ul>
<b>Action points</b>	<ul style="list-style-type: none"> <li>• Share WE (Wellbeing Economy) policy toolkits and NSET annual report when published.</li> <li>• Request for us to highlight a health intervention in Scotland (following a WE approach, which they could consider in Luxembourg. Potential example of employability and health support.</li> </ul>
<b>Comment</b>	A quick meeting due to time pressures (15 mins). Interest in WEGO and potential for collaboration on health and economy.

## OFFICIAL - SENSITIVE

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	Neil Gray, Cabinet Secretary Wellbeing Economy, Fair Work and Energy
<b>Type of engagement</b>	Bilateral Meeting
<b>Date</b>	Wednesday 14 June 2023
<b>Attending Official(s)</b>	<b>(Redacted)</b> , SG Private Office Gary Gillespie, SG Chief Economist
<b>Who</b>	Bjarni Benediktsson, Minister of Finance and Economic Affairs, Iceland. Official from his office.
<b>Key Points</b>	<b>(Redacted)</b>
<b>Action points</b>	<b>(Redacted)</b>
<b>Comment</b>	<b>(Redacted)</b>

OFFICIAL - SENSITIVE

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	Neil Gray, Cabinet Secretary Wellbeing Economy, Fair Work and Energy
<b>Type of engagement</b>	Introductory meeting.
<b>Date</b>	Wednesday 14 June 2023
<b>Attending Official(s)</b>	<b>(Redacted)</b> , Cabinet Secretary Private Office Gary Gillespie, Chief Economist
<b>Who</b>	<b>(Redacted)</b>
<b>Key Points</b>	<p>Fossar Investment Bank established 2015. They market and facilitate investment to Iceland to compliment public investment in key strategic areas (see below).</p> <p>They also focus on equity investment and international opportunities for Icelandic Business.</p> <p>Discussion of Iceland economy and how it had developed from financial crisis with a clear focus on three strategic areas:</p> <ul style="list-style-type: none"> <li>• Tourism Industry (high value)</li> <li>• Green Energy/ sustainability/industry opportunities</li> <li>• Fisheries and nature</li> </ul> <p>Importance of vision and leadership for transitioning industry (tourism in Iceland now high value/nature based).</p> <p>Discussion of requirements for working alongside Government in leveraging private capital but on clearly defined areas. Also the need for certainty in focus and strategy alongside political stability for business confidence and investment.</p>
<b>Action points</b>	<ul style="list-style-type: none"> <li>• Potential to link to Scottish National Investment Bank.</li> <li>• Potential capital day in Edinburgh (similar to London) to market two-way investment (Scotland-Iceland)</li> </ul>
<b>Comment</b>	Friendly, informed discussion. Emphasising importance of relationship between Government and private capital. Useful for green investment work and investor panel.

OFFICIAL - SENSITIVE

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	Neil Gray, Cabinet Secretary for Wellbeing Economy, Fair Work and Energy
<b>Type of engagement</b>	Company Visit/demonstration of technology.
<b>Date</b>	Wednesday 14 June 2023
<b>Attending Official(s)</b>	<b>(Redacted)</b> , SG Private Office Gary Gillespie, SG Chief Economist
<b>Who</b>	<b>(Redacted)</b>
<b>Key Points</b>	<p>Presentation of geothermal power and how it is used to fuel heat in buildings in Iceland.</p> <p>How they locate and drill bore holes to access geothermal power and the current trials to go from 2km depth to 5km to extend supply.</p> <p>A tour and physical demonstration of Carbfix – how they store and capture carbon in rock underground. Carbon is captured in water and pumped back into the ground and absorbed by the rock which is porous. The carbon over time returns to rock.</p> <p>Carbon Storage &amp; Capture (CSC) technology is proven, and they are current able to and import carbon for storage from Europe. They believe this is competitive with regard to ETS Carbon pricing scheme.</p> <p>They also have the potential to store vast quantities of carbon (water based) from industrial sites across Europe. Currently testing whether they can capture this in sea water.</p> <p>They also have on-site a carbon capture system for taking carbon out of the air.</p>
<b>Action points</b>	To connect with our energy officials in relation to CSC in Scotland – Acorn. Opportunity for knowledge exchange.
<b>Comment</b>	Excellent visit to understand technology and see application in process.

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**TO:** Cabinet Secretary for Constitution, External Affairs and Culture  
Minister for Culture, Europe and International Development

**CC** (portfolio interest): Cabinet Secretary for Education and Skills  
Cabinet Secretary for Transport, Net Zero and Just Transition  
Cabinet Secretary for Wellbeing Economy, Fair Work and Energy  
Minister for Higher and Further Education; and Minister for Veterans

## **OVERSEAS VISIT REPORT – BRUSSELS, 26-28 JUNE 2023**

### **PURPOSE**

1. To provide a note summarising my recent visit to Brussels as required by the Ministerial Code.

### **VISIT DETAILS**

2. On 26-28 June 2023, I conducted my first international visit as First Minister, by taking part in a series of bilateral and trade-focused engagements in Brussels.
3. Having been clear since taking up post about the importance I place on European cooperation, I chose this as a first destination for overseas business. I instructed the Scottish Government EU Directorate, based in Scotland House Brussels, to build a programme of high value engagements for the trip.
4. A high level summary of the visit is enclosed below under the broad themes of 'EU Institutions', 'Trade and Investment/Education' and 'Bilateral cooperation'. A full list of engagements is provided at **Annex A**, with engagement reports at **Annex B**.

### **EU INSTITUTIONS**

5. Having previously served as Europe Minister, the re-establishing of dialogue as First Minister with the European Commission and Parliament was a key objective of the visit.
6. I met with the EU Commission Vice-President Maroš Šefčovič and expressed our enduring commitment to partnership with the EU, based on our shared values and objectives. I am pleased to report that the Vice-President expressed a positive and welcoming recognition of the opportunities for us to continue working with the EU on a broad range of shared interests. I also raised the issue of UK association to the Horizon Europe research programme and my desire for a pragmatic agreement to be reached as soon as possible.
7. I also met with the co-convenors and other members of the Friends of Scotland (FOS) MEP group, as well as holding a separate meeting with the Chair of the European Parliament (EP) Foreign Affairs Committee (and FOS member), David McAllister MEP. Across all discussions with MEPs, it was clear that there is a desire for us to find practical solutions for addressing the lost opportunities brought about by the loss of Horizon and Erasmus association, as well as building links between Scotland and the EP. The strength of goodwill towards Scotland in Brussels is also evident and I would encourage you to continue fostering and building upon the relationships you each have with our partners in the EP.

### **TRADE AND INVESTMENT / EDUCATION**

8. Utilising our overseas network to encourage inward investment was a further important objective of the visit. I met with a broad range of business leaders through the British and America Chambers of Commerce in Brussels and meetings with Breakthrough Energy and inward investor to Scotland, Bridon-Bekaert. Across these engagements, I heard the first hand evidence of Brexit's detrimental impact on the business environment across the UK. However, I was encouraged to hear business leaders' optimism for the commercial opportunities associated with our energy, technology and financial service capabilities. We must seize these opportunities by further defining our clean energy export potential and ensuring communities across the country are equipped to give people the skills they require to take advantage of new high-skilled employment.
9. Further on the subject of training and education, I visited the BeCentral tech campus in Brussels to mark the launch of our [Entrepreneurial Campus](#) blueprint. Such facilities giving students access to cutting edge technology, provides the example for us to develop educational opportunities that inspire new ways of learning and innovation.

## **BILATERAL COOPERATION**

10. I used the opportunity of visiting Brussels to engage with friends and partners outwith the EU institutions. This engagement included delivering a speech at the European Policy Centre on Scotland's offer to the EU to an audience of diplomatic, trade and political leaders, signing a Memorandum of Understanding on shared interests with Flanders, and meetings with Ambassadors to the EU from the Republic of Ireland and New Zealand.
11. The themes of these discussions highlighted some of the challenges that are emerging as universal challenges. Across the broad geographic range of territories that my meeting counterparts came from, governments are concerned with recovering from the financial and social impacts of the pandemic, training their future generations for the transformation brought about by new technology and adapting their economies to mitigate against climate change. We must play our role as global citizens in addressing these challenges both at home and abroad, as well as continuing to work with our partners on specific areas of mutual interest.

**FIRST MINISTER HUMZA YOUSAF**

07 July 2023

**Monday 26 January**

- British Chamber of Commerce Dinner

**Tuesday 27 January**

- American Chamber of Commerce Breakfast
- Lindsay Appleby, Head of UK Mission to the EU / Will McFarlane, Deputy Head of UKMis
- Ann Mettler, VP Breakthrough Energy (BE)
- European Policy Centre private lunch
- European Policy Centre event - public speech followed by Q and A
- Oswald Schmid, CEO of Bridon-Bekaert Ropes
- BeCentral Campus tour
- Jan Jambon, Minister-President of Flanders
- Carl Reaich, New Zealand Ambassador to EU and NATO
- Friends of Scotland MEP Group dinner

**Wednesday 28 January**

- Tom Hanney, Ireland's Permanent Representative to the EU
- David McAllister MEP
- EU Commission Vice-President Maroš Šefčovič

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister
<b>Type of engagement</b>	British Chamber of Commerce Dinner.  Round table dinner and discussion, conducted under Chatham House rules
<b>Date</b>	26 June 2023
<b>Attending Official(s)</b>	Martin Johnson, EU Director
<b>Who</b>	Tom Parker – President Britcham and Deputy CEO – SEC Newgate David Reed – Britcham, and senior partner Kreab consultancy Peter Bell – Britcham, Director Expedite Group Jill Craig – Partner, Penta Group Michael Custers – Chief Marketing Officer, SD Worx Lowri Evans – former DG in EU Commission. Senior advisor Shearwater Global. Samuel Servaes – Economic and Commercial Counsellor – Rep of Brussels Capital Region Amelie Matton – CEO Ecosteryl Pascale Walgrave – Strategic project lead, Flanders Trade and Invest Alphi Cartuyvels – Senior Executive, Walloon Export and Investment Agency (AWEX) Robert Manning – Director, British Agriculture Bureau Audrey Opdycke-Barnes – VP regional Engagement Codebase Pascal de Buck – CEO, Fluxys Christian Lange – CEO, Glutton Cleaning Machine Claire Skeltenberry – DG, European Association for Bioindustries Mark de Zutter – Public Affairs Director, Proximus
<b>Key Points</b>	A wide ranging discussion during, including the following topics: <ul style="list-style-type: none"> <li>• Scotland’s continuing commitment to the EU and to European values and desire to stay closely aligned with EU law where possible.</li> <li>• The negative economic and cultural impacts of Brexit, and what can be done to mitigate those in view of the recent agreement of the Windsor Framework.</li> <li>• The opportunities to develop trading links between Scotland and Belgium – for example with Flanders having recently opened a trade and invest office in Edinburgh.</li> <li>• The importance of people to people and cultural links as well as more transactional links.</li> <li>• The importance of inward investment and availability of capital, in particular to delivery of the green and digital transitions.</li> <li>• Scotland’s offer to the EU – in areas like renewable power and green hydrogen, science and innovation, and the well-being economy.</li> </ul>
<b>Action points</b>	A number of follow up conversations were arranged at official level. Among those is with Wallonian colleagues about the possibility of opening a Wallonian Govt office in Scotland.

<b>ENGAGEMENT REPORT</b>
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<b>Minister</b>	First Minister
<b>Type of engagement</b>	American Chamber of Commerce breakfast event Discussion with Business leaders
<b>Date</b>	27 June 2023
<b>Attending Official(s)</b>	Joni Smith, EU Deputy Director [redacted], EU Directorate Head of Trade and Economy
<b>Who</b>	American Chamber of Commerce to the EU <ul style="list-style-type: none"> <li>• Susan Danger, CEO AmCham</li> <li>• Chris Delaney, Goodyear Europe President, EMEA</li> <li>• Philippe Ducom, ExxonMobil President, ExxonMobil Europe</li> <li>• Zeger Vercoouteren, Johnson &amp; Johnson Vice-President, Worldwide Government Affairs &amp; Policy (EMEA)</li> <li>• Fiona Taylor – Verizon Head of International Public Policy</li> </ul>
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• Brexit had damaged trade and made the UK as a whole less desirable for investment</li> <li>• Scotland has many strengths making it a good destination for FDI</li> <li>• They are keen for the UK and EU to smooth border friction</li> <li>• Alignment and harmonisation with the EU was desirable for business – divergence only drives up cost for consumers as businesses like theirs work internationally</li> <li>• Manufacturing in the EU and Europe was under threat – the main driver being increased labour, capital and energy costs</li> <li>• Scotland could be an important part of keeping the EU competitive – through energy production</li> <li>• The alignment policy of the SG was discussed</li> <li>• Divergence is a significant risk to things like data flows enabling tech companies to do business in the UK</li> <li>• The Scottish government was prepared to use its levers to support growth and the green transition</li> <li>• [redacted].</li> <li>• The green transition needed to be careful not to kill of jobs and not to simply move oil and gas production to elsewhere whilst there was still demand.</li> </ul>
<b>Action points</b>	<ul style="list-style-type: none"> <li>• SG to consider whether the litigation issue is a problem in Scotland</li> <li>• Fiona Taylor to meet with Joni Smith</li> <li>• Amcham and SGEUO to keep in touch for future mutually beneficial ministerial engagement</li> </ul>

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister (FM)
<b>Type of engagement</b>	Meeting with UK Ambassador to the EU
<b>Date</b>	27 June 2023
<b>Attending Official(s)</b>	Martin Johnson (MJ), EU Director Joni Smith (JS), EU Deputy Director
<b>Who</b>	Lindsay Croisdale-Appleby (LA), UK Ambassador to the EU Will Macfarlane (WM), Deputy Head of UK Mission to the EU
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• The FM began by noting his disappointment and frustration at the leak to the Times regarding plans for his visit. LA/WM noted the FM's comments and agreed to feedback to UKG.</li> <li>• The FM asked LA/WM for their perspective on major issues in Brussels, current EU-UK relations, particularly post</li> </ul>

	<p>Windsor Framework and prospects for development of the TCA.</p> <ul style="list-style-type: none"> <li>• LA provided his perspective and reflections on the current state of EU-UK relations and prospects for the future. LA set out progress since the agreeing of the Windsor Framework and highlighted that it enables a normalising of relations and a refocus on operation of the TCA.</li> <li>• The FM set out the importance of listening to and understanding the positions of the Scottish Government, Welsh Government and Northern Ireland executive broadly, but also as it pertained to specific interests in relation to the TCA.</li> <li>• Further, the FM set out particular areas of interest to Scotland including Horizon/programmes, youth mobility and veterinary agreement/SPS access issues. He also set out the importance of engagement between the EU and Scotland on energy/renewables/hydrogen.</li> <li>• LA highlighted TCA review point and work within UKG to prepare. However current cion has 1 year left/narrow focus. LA confirmed that Vice President Maros Sefcovic would be interested to hear these points but that his focus was on TCA implementation at this stage.</li> <li>• LA also confirmed that MS would be interested in SG work on Wellbeing Economy given his lead role on this for the EU.</li> <li>• The FM thanked LA for his observations and the meeting ended with agreement that UKG and SG teams at post should continue to liaise and collaborate on the issues above where possible.</li> </ul>
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<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister
<b>Type of engagement</b>	Meeting with VP of Breakthrough Energy
<b>Date</b>	27 June 2023
<b>Attending Official(s)</b>	Martin Johnson, [redacted]
<b>Who</b>	Ann Mettler, VP Breakthrough Energy (BE)
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• FM outlined the Scottish Government’s focus on Just Transition, our efforts to green the economy and our Hydrogen and Offshore Wind offer.</li> <li>• AM provided an overview of the global context relating to Climate Change work and the background to BE.</li> <li>• AM stressed the importance of Scotland undertaking a full SWOT analysis relating to the entire ecosystem from research to market to allow the development and uptake of new technologies.</li> <li>• AM outlined the concept of a Green Transatlantic Marketplace between Europe and N.America and noted that having mutual recognition of standards for emerging tech, to facilitate their take up would be a driver for investment in green technologies. Furthermore, any regulatory framework should take into account technologies in the pipeline which could change the environment we work in.</li> <li>• FM explored willingness to exchange best practice with the Scottish National Investment Bank and Scottish Government/Enterprise. AM responded that there are three</li> </ul>


	<p>main products which they focus on: fellows (testing ideas), venture fund (first commercialisation) and later stage fund (<a href="#">Catalyst</a> – which has a UK branch) and that she will consider how best to take this forward.</p> <ul style="list-style-type: none"> <li>• FM concluded the meeting, and invited AM to Scotland to continue the discussion.</li> </ul>
<b>Action points</b>	SGEUD to follow up with colleagues to identify key focus areas for an exchange of best practice and to liaise with BE.

**ENGAGEMENT REPORT**

<b>Minister</b>	First Minister
<b>Type of engagement</b>	European Policy Centre private lunch - under Chatham House rules
<b>Date</b>	27 June 2023
<b>Attending Official(s)</b>	Martin Johnson – EU Director
<b>Who</b>	<p>Fabian Zuleeg – EPC          Janis Emmanouilidis - EPC          Laura Rayner – EPC          Shada Islam – EPC          Rebecca Wood – Brunswick Group          Stefan de Rynck – EU External Action Service          Valeriane Michel – Mission of Switzerland to the EU</p>
<b>Key Points</b>	[redacted]
<b>Action points</b>	[redacted]
<b>Comment</b>	[redacted]

**ENGAGEMENT REPORT**

<b>Minister</b>	First Minister
<b>Type of engagement</b>	<p>European Policy Centre event - public speech followed by Q and A, entitled:</p> <p>Scotland's offer to the EU: Opportunities and ambitions in the new relationship</p>
<b>Date</b>	27 June 2023
<b>Attending Official(s)</b>	<p>Martin Johnson – EU Director          John Doyle – Acting Head, IJCU</p>
<b>Who</b>	[redacted]
<b>Key Points</b>	<p>In Q and A, a number of points were raised, including:</p> <ul style="list-style-type: none"> <li>• On NATO, the FM said Scotland was committed to joining the EU and NATO, and that a paper setting out further thinking on defence and security would issue.</li> <li>• On the Euro, the FM said Scotland was aware of and would accept all of the conditions of EU accession, and quoted former Commission President Juncker who had made clear that no EU member had been forced to join against their will.</li> <li>• On financial services – FM welcomed the signing of the Eu-UK MoU (earlier the same day) and added he wanted to see further progress and deepening of cooperation.</li> <li>• In response to a question around engagement with SG in</li> </ul>

	<p>Brussels, FM suggested making contact with Scotland House in the first instance.</p> <p>Speech as delivered here:-</p>  <p>FM Speech at EPC 27 June 2023 as deli</p>
<b>Action points</b>	Attendees who wanted to have further discussion with SG should use Scotland House as a point of contact.

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister
<b>Type of engagement</b>	Meeting with Oswald Schmid, CEO of Bridon-Bekaert Ropes
<b>Date</b>	27 June 2023
<b>Attending Official(s)</b>	Laura-Louise O'Reilly, Head of SG EU Directorate Marine and Energy
<b>Who</b>	Oswald Schmid
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• Bridon-Bekaert Ropes is a Belgian company with a large manufacturing base in Scotland.</li> <li>• The CEO noted that they felt 'very welcome' in Scotland as a company and that they had been expanding their work force in Scotland.</li> <li>• On support from SDI, they noted they had felt 'well looked after', welcomed the support they received both financial in the form of grant and personnel with the account manager who works directly with them.</li> <li>• Another theme discussed was skills and some tensions on finding people with the correct skills – noting a current gap in young people working for the firm. The First Minister noted the importance of skills, the transition from oil and gas to renewables in terms of skill sets – and looking ahead, suggested they look to investigate opportunities for apprenticeships.</li> <li>• In Scotland House Brussels we noted the work done to date on the 'year in skills' and offered further assistance on this later in the year.</li> </ul>
<b>Action points</b>	Officials to investigate opportunities for apprenticeships in the sector.

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister (FM)
<b>Type of engagement</b>	Campus tour (BeCentral Brussels)
<b>Date</b>	27 June 2023
<b>Attending Official(s)</b>	James Wainscott, SG EU Directorate, Trade and Economy Chris Mack, SG EU Directorate, Comms and Engagement
<b>Who</b>	Laurent Hublet, Managing Director, BeCentral;

	Ross Tuffee, co-author Entrepreneurial Campus report; and Audrey Opdycke-Barnes, VP of Regional Engagement, Codebase.
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• FM received a tour of the BeCentral tech campus facility in Brussels, to coincide with the publication of the Scottish Government's Entrepreneurial Campus Blueprint.</li> <li>• FM was joined on the tour by the co-author of the ten-year plan to help create world-class entrepreneurial campuses at 45 universities and colleges across Scotland.</li> <li>• The tour allowed FM to discuss the work of BeCentral as an exemplar of innovative tech campuses with its MD, the SG's Entrepreneurial Campus with its co-author and the role of regionalisation with Codebase's VP for regional engagement.</li> <li>• FM outlined SG's commitment to supporting enterprise and innovation, noting that the publication marks an important milestone as a key action from the National Strategy for Economic Transformation</li> </ul>
<b>Comment</b>	The First Minister spoke with journalists from BBC and Deutsche Welle English at the conclusion of the tour. FM provided his reasoning for visiting Brussels as his first international visit and answered questions on Scotland's EU ambitions.

### ENGAGEMENT REPORT

<b>Minister</b>	First Minister
<b>Type of engagement</b>	Meeting with Minister-President of Flanders Bilateral engagement followed by an MOU signing ceremony.
<b>Date</b>	27 June 2023
<b>Attending Official(s)</b>	Martin Johnson - EU Director [redacted] – EUD Head of Engagement [redacted]– EUD Policy Officer
<b>Who</b>	Jan Jambon (JJ), Minister-President of Flanders
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• FM thanked JJ for his friendship, and congratulated him for the opening of the Flanders Investment and Trade office in Edinburgh.</li> <li>• JJ raised the importance of renewable energy, his envy of the Scottish coastline and its wind energy potential in comparison with the smaller Belgian coastline. Flanders will partner with Rotterdam on coastline energy projects to make the Port of Antwerp a global player.</li> <li>• JJ raised the German-British bridge that will replace Connect Europe, he questioned whether a Flemish-Scottish bridge programme could be possible. This would involve govt-govt engagement on areas like student exchange, not just inter-institutional relationships.</li> <li>• JJ mentioned that many bilateral conversations are taking place between Scotland and Flanders on policy areas such as student exchanges and cultural exchanges, and it would be positive to see governments get involved to find deliverables together.</li> <li>• JJ raised that Belgium will have the EU Council Presidency for January to June 2024. Flanders will be responsible for culture, media, youth and industry. JJ will be head of culture council during Presidency. He will gather big European</li> </ul>

	<p>cultural partners and leaders – including those outside the EU - and would like to involve Scotland in that.</p> <ul style="list-style-type: none"> <li>• JJ would like to see further devolution for Flanders and noted the Basque model is the best as they have fiscal autonomy – he noted that the labour market in Flanders is very different to that of Wallonia or Brussels.</li> <li>• FM proposed to host JJ in Scotland.</li> <li>• FM and JJ then <i>signed the Flemish-Scottish MOU</i></li> </ul>
<b>Action points</b>	<ul style="list-style-type: none"> <li>• Flemish and Scottish (EUD) officials have discussed plans to work up an Action Plan to sit underneath the MOU.</li> <li>• Specifically on Culture and the EU Presidency, to have further talks at official level about Scottish senior involvement in culture related events or summit meeting.</li> </ul>

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister
<b>Type of engagement</b>	Bilateral meeting with New Zealand Ambassador
<b>Date</b>	28 June 2023
<b>Attending Official(s)</b>	Martin Johnson – EU Director
<b>Who</b>	Carl Reaich, New Zealand Ambassador to EU and NATO
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• FM emphasised strong links between our countries, and mentioned recent discussions with HC Goff in London.</li> <li>• CR complimented the work of Scotland House as ‘world class’, and noted that the team does a good job in identifying a limited number of priority policy areas on which to pursue engagement. We also use soft power effectively at post.</li> <li>• CR noted that NZ gets good <i>access</i> in Brussels, but it doesn’t always equate to <i>influence</i>. Very difficult for 3<sup>rd</sup> countries to influence developments here.</li> <li>• On hydrogen – CR noted that the New Zealand strategy had been developed but not yet signed. Scotland was a little ahead on that. NZ has worked closely with Germany on hydrogen. More generally Wellington was interested in SG strategy development.</li> <li>• On offshore wind – the NZ science minister was in Scotland last year on a fact finding mission. NZ doesn’t have offshore wind yet but considering its options.</li> <li>• On Ukraine – the full-scale invasion in 2022 had been deeply disturbing. CR noted that NZ had passed sanctions in a single afternoon in the wake of it. This was unprecedented. Trade with Russia is down by 99% on previous levels. CR also noted that NZ had a strong anti-nuclear tradition.</li> <li>• PM Ardern went to the NATO summit last year. PM Hipkins this year. NZ typically the one country raising non-proliferation in NATO space. NATO not asking NZ to join – too sophisticated to do that.</li> <li>• Japan-NZ deepening cooperation now, for example on intelligence sharing. Japan also keen to sell NZ military kit.</li> <li>• Potential US instability (post Presidential election) is a risk to NZ. Japan / S. Korea / Singapore are increasingly important partners.</li> </ul>
<b>Action points</b>	Agreed to keep in touch. CR welcome to visit in Scotland.

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister
<b>Type of engagement</b>	Dinner with 5 Members of the European Parliament, Friends of Scotland Group.
<b>Date</b>	27 June 2023
<b>Attending Official(s)</b>	Martin Johnson, EU Director Joni Smith, EU Deputy Director
<b>Who</b>	Udo Bullman, MEP (UB) Terry Reintke, MEP (TR) Danuta Hübner, MEP Zeljana Zovko, MEP Frances Fitzgerald, MEP
<b>Key Points</b>	<p>UB opened by welcoming guests. He reflected on his connections to Scotland, the impact of Brexit and the subsequent loss of Scotland and the wider UK from the EU institutions. He welcomed the FM and confirmed that the Parliamentary Scottish Friendship Group was: a) very interested in updates from Scotland and b) here to support in any way it could.</p> <p>TR added to UB's comments reflecting on her own connections to Scotland, including her Erasmus year in Edinburgh. She highlighted the importance of ongoing connections arguing these are almost more important than ever as a direct result of Brexit. TR introduced the FM and invited him to provide remarks.</p> <p>The FM began by thanking UB and TR for their work as co-convenors of the Scotland Friendship Group. He thanked all those attending for the support shown to Scotland. The FM highlighted the importance of the group and how much it meant to Scotland. He set out the importance of the group in maintaining Scotland's links into the European Parliament.</p> <p>The FM confirmed that despite Brexit Scotland remains firmly committed to the EU and its core values. The FM set out his own internationalist view point, reflecting on his personal history. The FM set out key areas of interest he was focussed on during the visit, including the climate crisis/energy security, wellbeing economy, strengthening education and research ties. The FM invited contributions from guests including on shared priorities, challengers and building on pre-existing cooperation.</p> <p>Guests participated in a free-flowing and wide-ranging conversation which included questions to the FM on future EU-Scotland/UK relations, ways in which to strengthen links between Scotland the European parliament, further details on his visit, a future Erasmus+ replacement, the SG commitment to EU alignment and Scotland's constitutional future.</p>
<b>Action points</b>	MJ to follow up with DH, FF, ZZ during Strasbourg plenary in July.

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister
<b>Type of engagement</b>	Bilateral meeting with Irish Ambassador the EU

<b>Date</b>	28 June 2023
<b>Attending Official(s)</b>	Martin Johnson, EU Director
<b>Who</b>	Tom Hanney, Ireland's Permanent Representative to the EU
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• FM stressed Scotland feels itself a European country and is keen to stay close to the EU and closely aligned with EU laws. He had felt real warmth to Scotland on this trip. FM stressed Scotland's offer to the EU, including our renewable energy potential. TH noted that people do distinguish between Scotland and wider UK in Brussels and noted the work of SG in ensuring that. FM noted the strong, enduring links between Scotland and Ireland at all levels.</li> <li>• On EU-UK relations the Windsor Framework had been a positive step forward and relations were improving but from a low base. Sunak was considered to be a more reliable interlocutor, and he and President von der Leyen talk a lot.</li> <li>• On implementation of the Windsor Framework and TCA – TH noted that there were key milestones this October: on labelling; on data transfers, and on border control posts. On Horizon, TH felt there was some positive movement forward. Talks were ongoing but difficult. EU had to be careful about repercussive impacts, as they were having dialogue with Japan, Switzerland and others in parallel. On rules of origin (RoO), the UK wants to extend the arrangements which run out in Jan 2025. There are different voices in the EU on this issue.</li> <li>• TH understood that the UK was seeking to open new channels between Ministers and Commissioners (in effect somewhere 'between' the TCA Partnership Council level and the TCA Specialised Committees led by officials). UKG was pushing for structured dialogue on 1) economic and trade issues; 2) artificial intelligence. However, the EU considered the nature of the relationship and the related governance was now settled. TH noted that the Commission now wanted an orthodox third country relationship with the UK. There was little interest in Brussels just now in opening up new channels / structures.</li> <li>• FM and TH discussed whether this approach may hold for next Commission (after late 2024) and new parliament. TH noted that Ukraine, strategic autonomy/re-shoring likely to continue to be the EU focus. TH also noted it was known that UK Labour figures had been coming to Brussels to discuss a range of issues such as possible Veterinary agreement. However, very unclear where any of this could lead.</li> <li>• On migration – TH emphasised there were now 90,000 Ukrainians in IR. Plus 15,000 asylum seekers a year at present. IR has no established far right grouping, but there has been growing dissent (eg where a large group of asylum seekers is placed in a hotel in a small town). TH noted that the EPP group in the European parliament have been negotiating to absorb the 'Brothers of Italy' (Meloni party). EPP is moving right and the EP elections next year could also see protest votes in places like IR. Migration has become an increasing focus in the European Council, and is existentialist for many governments, eg in Austria.</li> <li>• On Ireland – TH noted that the housing situation in Dublin</li> </ul>

	and the challenges in health were key issues for the Govt at present. The next election would be by early 2025 at latest. On the north, TH noted the end of 2024 was a consent moment in regard to the NI Protocol / WF, though this would require a sitting Assembly.
<b>Comment</b>	FM presented TH with two gifts – a book of Burns poetry and a tartan tie – as a token of our appreciation of his friendship and mark of respect for his distinguished service as he nears retirement. TH thanked FM and mentioned his successor would be Aingeal O'Donoghue..

<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister
<b>Type of engagement</b>	Bilateral meeting with Member of European Parliament David McAllister
<b>Date</b>	28 June 2023
<b>Attending Official(s)</b>	Martin Johnson, EU Director [redacted], EU Directorate Policy Officer
<b>Who</b>	David McAllister, European Parliament Member
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• FM thanked DM for his friendship and continued engagement with Scotland.</li> <li>• DM asked FM for his thoughts on Scottish politics and forthcoming elections. FM shared his views.</li> <li>• DM and FM discussed the current UK political landscape in light of upcoming elections. They agreed the momentum between the EU and UK is better. DM mentioned that challenges remain, notably on financial services and fisheries.</li> <li>• On fisheries, DM stated that things need to change significantly, and the UK will have leverage during quota negotiations, with countries like France, Netherlands, Spain and Portugal. FM added that he hopes Scotland will not be used as a bargaining chip in fisheries negotiations.</li> <li>• On Erasmus, DM said that the European Parliament [EP] was clear that it wanted Scotland to be able to re-join Erasmus+ but the European Commission did not agree – as it felt it had to be done at UK level (not 'sub-state'). He expressed his disappointment in the social cleavage linked to access to Erasmus, as university access abroad will still be there for richer families.</li> <li>• On Ukraine, DM said that the best way forward is NATO then EU membership. Both accession procedures have to be prepared and coordinated as they require unanimity votes. No rebates will be given to Ukraine, as Member States do not want to establish a precedent. On EU accession, it can be sequential, Ukraine could first join the Single Market, the research programmes, then roaming-free area.</li> <li>• DM mentioned there could be opportunities for Scotland to give evidence in the EP. He noted the upcoming Parliamentary Partnership Assembly, and said he would meet with Scottish attendees. He also mentioned the TCA Implementation report being discussed in the EP's External Affairs and International Trade committees.</li> <li>• DM closed by thanking the FM for coming to Brussels. He</li> </ul>

	<p>said it sends the right signal as to the importance of staying connected to Brussels. He mentioned he would love to visit Scotland again, and expressed a keen interest in the Tattoo Festival which he attended last year.</p> <p>DM also commended the work of Scotland House Brussels, which is helping Scotland's visibility.</p>
<b>ENGAGEMENT REPORT</b>	
<b>Minister</b>	First Minister
<b>Type of engagement</b>	Bilateral Meeting with European Commission Vice-President
<b>Date</b>	28 June 2023
<b>Attending Official(s)</b>	Lindsay Appleby – UK Ambassador to the EU Martin Johnson – EU Director, Scottish Government Emily Mackintosh – Special Advisor
<b>Who</b>	EU Commission Vice-President Maroš Šefčovič
<b>Key Points</b>	<ul style="list-style-type: none"> <li>• FM emphasised Scotland's ongoing commitment to the EU – to shared EU values, people to people links, and staying closely aligned to EU law where possible.</li> <li>• MS remarked about a trip to the Scottish parliament (organised by Sir John Grant) when MS was the Slovakian Perm Rep to the EU.</li> <li>• FM highlighted that Scotland has much to offer the EU – on renewable energy, science and innovation and our work on well-being economy ('beyond GDP').</li> <li>• FM welcomed the Windsor Framework, the personal contribution of MS, and the work of both negotiating teams. MS noted the EU had worked hard and at pace, for example with new legislation on medicines, SPS etc.</li> <li>• On renewables, MS noted the renewable potential of Scotland was 'enormous'. There was also potential for carbon capture sub-sea. Green hydrogen would be important for energy intensive industries. MS also noted the importance of grid connections etc, and the step forward with the MoU signed between UK and EU on North Sea Energy Cooperation (NSEC). MS stressed we could not repeat the experience of high and fluctuating prices. On LNG - US, Egypt, Israel, Africa would come on line soon.</li> <li>• Also on energy, MS noted that progress on security of supply was a priority, and the TCA specialised committee was working on electricity trading arrangements. It was very demanding and technical but experts were working on it.</li> <li>• On the Horizon research programme FM underlined the importance of the programme to Scotland and what Scottish institutions could bring. He urged that pragmatic solutions be found and a deal agreed as quickly as possible. MS noted that discussion was ongoing, and that the EU sees programmes as a group.</li> <li>• FM also raised Erasmus and his sadness at Scotland (and whole of UK) now being outside. The Scottish Government would go ahead with a pilot scheme on how to seek to replicate the benefits. MS emphasised that his daughter studied in the UK, as did the Commission President, but third countries could only participate in their entirety.</li> </ul>

	<ul style="list-style-type: none"> <li>• FM noted the SG desire to stay closely aligned with EU law where possible. MS noted that the Retained EU Law Bill was very sensitive and divergence in laws could create more obstacles to trade.</li> <li>• On Ukraine, the FM noted the work in Scotland to welcome refugees, and was also supportive of UK Government joint work with the EU on facing down Russian aggression. MS said cooperation had been exemplary.</li> <li>• FM discussed the Scottish well-being economy agenda, and membership of WEGO. [This area is covered as part of VP Sefcovic's work on the EU Foresight programme.] MS said the EU had been inspired by Ministers elsewhere. The EU Strategic Foresight report would be published next week. It would focus on aspects of well-being, and how we can bring assessment of economic performance more into line with 21<sup>st</sup> century priorities. We need alternative models. The FM suggested SG and the Commission could work together with partners on an event on well-being economy. MS said the Strategic Foresight report would be discussed at GAC in July and then at Heads of State meeting in Granada under the EU Spanish Presidency in autumn. Spanish govt was supportive on this agenda.</li> <li>• FM expressed the positive case for migration, and his disappointment at the negative tone in political discourse in many countries on this. MS noted that the EU Migration Pact was seeking a better balance between legal migration and irregular/smuggler led migration and tragedies in the Mediterranean.</li> </ul>
<b>Action points</b>	FM to follow up with a letter to MS, including discussion of next steps on well-being economy.

## PS/FIRST MINISTER

### BRIEFING PACK FOR FIRST MINISTER – 23 JUNE 2023 SCOTTISH GOVERNMENT EU OFFICE

#### VISIT TO BRUSSELS 26 – 28 JUNE 2023

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#### PROGRAMME

**Monday 26 June**

Engagement	Time	Location	Official support	Logistics
Arrival Brussels Zaventem Airport	17:55 CEST			Martin to greet airside. VIP lounge booked.
Departure to Hotel	18:45			Martin to brief in the car.
V&E: Hotel check-in	19:10	Thon Hotel EU		V&E confirmed VIP arrangements.
<b>Welcome</b>	19:30	Thon Hotel EU	Martin Johnson, Joni Smith	Martin and Joni to host FM and delegation
<b>Travel to De Warande</b>	19:45 – 20:00	De Warande	Martin	Walking
<b>British Chamber of Commerce Dinner</b>	20:00	De Warande	Martin, [redacted]	<b>PHOTO</b> <b>Opening remarks</b>
Car to hotel after dinner	Late	Thon Hotel EU		

Tuesday 27 June				
Engagement	Time	Location	Official support	Logistics
<b>Morning briefing</b>	07:00	Thon EU Hotel	Joni	
Travel to AmCham	07:45 – 08:00	Thon EU to American Chamber of Commerce	Joni [redacted]	Walking
<b>American Chamber of Commerce Breakfast</b>	08:00 – 08:50	Am Cham Offices	Joni [redacted]	<b>PHOTO</b> <b>Opening remarks</b>
<b>Opening remarks</b>				
Travel to Scotland House Brussels	08:50 – 09:10	AmCham to SHB		Car
<b>Lindsay Croisdale-Appleby, UK Ambassador to the EU</b>	09:10 – 09:45	SHB	Martin	Martin to meet at SHB.
<b>Ann Mettler, Breakthrough Energy</b>	10:00 – 10:45	SHB	Martin [redacted]	<b>PHOTO</b>
<b>Media interview with Suzanne Lynch, Politico Brussels Correspondent</b>	10:45 – 11:45	SHB		<b>PHOTO</b>
Break	11:45 – 12:00	SHB		
Travel to European Policy Centre (EPC)	12:00 – 12:30	SHB to EPC	Martin	Car
<b>EPC private lunch</b>	12:30 – 13:55	EPC	Martin [redacted]	<b>Opening remarks</b>
<b>EPC public event</b>	14:00 –	EPC	Martin	<b>PHOTO</b>

	14:45		[redacted]	<b>Speech</b>
Travel to SHB	14:45 – 15:00	EPC to SHB -	Martin	Car
<b>Oswald Schmid, CEO Bridon-Bekaert</b>	15:00 – 15:45	SHB	Martin [redacted]	<b>PHOTO</b>
Travel to Rue Ravenstein	15:45 – 15:55	SHB - Rue Ravenstein	Joni [redacted]	Car travel and pre-brief by Ross en route.
Travel to BeCentral	15:55 – 16:00	BeCentral - Cantersteen	Joni [redacted]	Travel by foot through Galerie Ravenstein.
<b>Visit to BeCentral, Entrepreneurial Campus Blueprint launch</b>	16:00 – 16:50	BeCentral	Joni [redacted]	<b>PHOTO WITH OTHER VIPs</b>  <b>MEDIA BID</b>  <b>OPENING REMARKS</b>
Travel to Flanders meeting	16:50 – 17:00	Centraal – Huis Errera		Car
<b>Jan Jambon - MoU meeting</b>	17:00 – 17:30	Huis Errera	Martin [redacted]	<b>PHOTO</b>
Travel to SHB	17:30 – 17:45	Huis Errera to SHB - Rdpt	Martin	Car
<b>Carl Reaich, NZ Ambassador to the EU</b>	17:45 – 18:15	SHB	Martin	<b>PHOTO</b>
Break	18:15 – 19:45	Hotel		
Travel to Dinner	19:45 – 20:00	[SHB/Thon EU] to Park Side Brasserie	Martin	Car
<b>Friends of Scotland MEP Dinner</b>	20:00	Park Side Brasserie	Martin Joni	<b>PHOTO</b>  <b>Opening remarks</b>
Car back to Hotel	Late			

<b>Wednesday 28 June</b>				
<b>Engagement</b>	<b>Time</b>	<b>Location</b>	<b>Official support</b>	<b>Logistics</b>
<b>Breakfast</b>	07:30	Thon EU Hotel	Martin Joni	FM delegation to store bags in car.
Travel to SHB	08:15	Thon EU to SHB -	Martin Joni	Walking
<b>Tom Hanney, Rol Ambassador to EU</b>	08:30 – 09:15	SHB	Martin	<b>PHOTO</b>
<b>SHB Staff session</b>	09.15 –	SHB kitchen area		

	09.45			
Travel to European Parliament	09:45 – 10:05	SHB to EP – drop off Rue Wiertz, 1047 Brussels		Car - VIP entrance confirmed.
<b>David McAllister MEP</b>	10:15 – 11:00	European Parliament	Martin [redacted]	<b>PHOTO</b>
Travel to Berlaymont	11:00 – 11:20	EP to Berlaymont		Car. VIP entrance confirmed.
<b>European Commission VP Maros Šefčovič</b>	11:30 – 12:15	Berlaymont	Martin	<b>PHOTO</b>
Departure to airport	12:15			Car
Airport arrival	12:45	Brussels Zaventem		VIP lounge booked
Flight take-off	13:55			

## **COMMUNICATIONS PLAN**

Issued separately.

## **CORE SCRIPT**

*Key lines for use across programme. Background briefing for topics raised here available in Annexes, with meeting-specific lines in engagement briefings.*

### ***Scotland and the EU***

- Scotland remains steadfastly European, with an unwavering commitment to fostering robust and mutually beneficial relationships with partners in the EU.
- The new relationship with the EU, brought about by the UK's regrettable decision to leave the European Union, is deeply challenging for Scottish people and businesses, but we are committed to making the most of it and to Scotland playing part in solving the common problems that face that face us across Europe.
- Existing cooperation is links remain strong despite Brexit – across research and innovation, energy and renewables, justice and security, trade and investment, the EU and its member states are and will remain key, close partners for Scotland.
- The scope and ambition for deeper cooperation is similarly great. Whether on future energy security, the climate emergency or ensuring that we develop new approaches to economics beyond GDP, Scotland is a willing and ready partner for the European Union.

### ***EU-UK relations***

- The Trade and Cooperation Agreement (TCA) represents a significant deterioration in our trading relationship with the EU, when compared with the benefits the UK enjoyed as a member state.
- However, we welcome Windsor Framework and hope that there can be further improvements to EU-UK relations which being benefits to people and businesses not just in Scotland but across Europe.
- It is our hope that substantive, meaningful progress can be made on the Scottish interests bound into the TCA. This is not an exhaustive list:
  1. We need to see **formal association to Horizon Europe** concluded as soon as possible.
  2. We would like to see the **MoU on financial services** made operational.
  3. We would like to see progress on issues facing **Scottish exporters of food and drink products**, such as seafood, whisky and seed potatoes.
  4. The UK needs to reach agreement with the EU on a more effective approach for **electricity trading** – which could reduce costs and improve resilience.
  5. We need to see an improved framework for the **mutual recognition of professional qualifications**, to include key sectors such as lawyers and architects.

6. We should explore what more can be done on **youth mobility** and on the arrangements for **touring creative professionals**.

- We welcome the work of the **Parliamentary Partnership Assembly**, which has drawn attention to key issues such as energy cooperation. We also welcome the invitations that have been extended to the Scottish Parliament to attend PPA meetings, and will work to ensure this is accepted as standard practice.

### ***SG EU Alignment Policy***

- Scotland's commitment to remain close to the EU means Scotland will continue to align with the EU where it is possible and meaningful to do so, and in a manner that contributes towards protecting and advancing standards across a range of policy areas.
- By protecting and continuing to advance the high standards that Scotland enjoys, we will safeguard the prosperity and wellbeing of the people of Scotland and maintain Scotland's inclusive, outward-facing reputation.
- Scotland shares its fundamental values with the EU, including the rule of law, democracy, human dignity and equality, and the Scottish Government believes the best future for Scotland is to be an independent country and member of the European Union.
- Until that point in time, we will maintain alignment where possible with the EU through policy making and primary and secondary legislation, including through the powers granted under the UK Withdrawal from the European Union (Continuity)(Scotland) Act 2021.
- We will also continue constructive engagement on our priorities with the EU institutions through the work of Scotland House Brussels, with member states bilaterally, and through our network of international offices.

### **Scotland's Economic Performance**

- Despite the challenging backdrop of EU exit and Covid, we have seen progress in a number of areas.
- Scotland's economy has shown a greater degree of resilience than forecast during the last year. In 2022, Scotland's GDP grew by 4.9% compared to 4.1% in the UK.

- A record number of Foreign Direct Investment (FDI) projects were secured in Scotland in 2022, maintaining Scotland's position as the top performing area of the UK outside of London for the eighth year running.
- Inward investment projects in Scotland grew by 3.3% in 2022, compared to 1.4% growth across Europe and a 6.4% fall across the UK.
- Regional productivity statistics show that Scotland has been ranked 3rd highest among the countries and regions of the UK since 2010, behind only London and SE England.
- Scotland's labour market continues to perform strongly with unemployment at 3.1%. The employment rate between February and April 2023 was 74.6 per cent and there were 56,000 more pay-rolled employees than prior to the pandemic.

### **Inward Investment**

- Our ambition is for Scotland to be a leading destination for inward investment aligned with our values of fair work, net zero and inclusive prosperity.
- The Inward Investment Plan, launched in October 2020, articulates the important role inward investment plays in creating high-value jobs for the Scottish economy. It sets out how values are central to our offer, with our ambitions for a wellbeing economy at the heart of attracting new investment opportunities.

### **Hydrogen Export and Trade Opportunity**

- Over the next few years, we will focus on taking action to secure the role of Scottish companies in the global hydrogen supply chain, to work with our international partners to share expertise and develop the sector more quickly, and to ensure Scotland is prepared to play a key role in meeting the growing demand for hydrogen from import countries in Europe.
- Scotland's extensive renewable resources means we are well-placed to ensure long-term security of supply of green hydrogen in Europe. Scotland is just 700km away from the Netherlands and 750km from the North German coast.
- We are keen to develop renewable energy and hydrogen-specific partnerships to explore the development of the transnational value chains needed for the production of large scale hydrogen with potential export routes from Scottish ports into northern Europe.
- The economic impact scenarios developed as part of our Scottish Hydrogen Assessment Project suggest that in the most ambitious scenario, establishing Scotland as an exporter of green hydrogen to Europe could result in a £25 billion annual gross contribution to Scotland's Gross Value Added (GVA) with over 300,000 jobs supported by 2045.

- We will be working closely with industry and international partners over the coming months to develop our Hydrogen Export Plan, that will set out the steps needed to realise Scotland's export potential. The Hydrogen Export Plan will consider the short-term export opportunities around skills and the supply chain, as well as the economic opportunity for Scotland represented by the export of renewable hydrogen in the longer term.

### **Erasmus+ and Horizon**

#### **[to update depending on Erasmus replacement announcement]**

- Losing the **Erasmus+** programme has deprived a generation of young Scots, and their European counterparts, of opportunities that their immediate elders enjoyed. The UK should never have left this prestigious initiative and they should provide equivalent alternatives. In the meantime, we are committed to looking at Scottish alternatives. I know that this is also a priority for many of those in the EU as Scotland was a popular destination for Erasmus students who were looking to learn English and benefit from the excellent universities that we have in Scotland.
- We also need to see formal association to **Horizon Europe** concluded as soon as possible.

### **Accession**

- An independent Scotland would not be starting from scratch in its progression towards EU membership. Scotland was part of the legal obligations of EU membership for 47 years.
- Article 49 of the Treaty of the European Union provides the clear process for joining the EU, which an independent Scotland would follow.

### **Brexit Vote**

- On 23 June 2016, people in Scotland voted to remain within the European Union by a margin of 24 per cent: 62 per cent for remain, and 38 per cent for leave. There was a majority for remain in every one of Scotland's local authority areas.
- In the years since, opinion polls have shown an even higher level of support for EU membership. An August 2022 poll found the largest gap between remain and leave support so far recorded, of 40 percentage points.

### **Brexit impacts** (more detail, **Annex A**)

- **A poorer nation:** The Office for Budget Responsibility expects the UK's GDP to be 4% lower in the long run because of Brexit. That equates to £3 billion in lost public revenues for Scotland.

- **A cost of living crisis:** The UK had the highest inflation rate in the G7 in April. Brexit has exacerbated the cost of living crisis, driving a £250 increase in annual household food bills.
- **Increased costs to business and damaged trade:** The UK has experienced the slowest growth in export volumes in the G7 since Brexit, and the trade in some goods has actually shrunk
- **Additional costs and red tape for our fishing and agriculture industries:** In the seafood sector, some shellfish exporters have estimated that the new barriers to trade with the EU have resulted in additional costs of £500-600 per consignment. As much as £60 million worth of food has been wasted on UK farms because of a labour shortage, according to the National Farmers' Union
- **Free movement has gone:** In July 2022 UK Hospitality reported 40,000 hospitality vacancies in Scotland, but the sector is excluded from the UK Government's seasonal worker scheme.
- **Travel is more difficult and costly:** Brexit has slowed down the process of entering the EU on a British passport, with business travellers and holidaymakers reporting long delays at some airports. Most mobile phone operators have also reintroduced roaming charges, which were abolished for EU members in 2017.
- **Less effective law enforcement cooperation:** We no longer have access to instant EU-wide alerts and intelligence, and some EU countries are no longer able to extradite their own nationals to face justice in Scotland.
- **Missed youth opportunities:** The UK Government decided not to participate in Erasmus+, preventing Scotland from participating fully in its own right.
- **Lost funding:** EU structural funding would have been worth around £549 million to Scotland over 3 years.
- **Cutting edge research halted:** EU Research funding previously brought €870 million to Scotland between 2014 and 2020, fuelling cutting edge research across our world leading universities.

### ***Benefits of an independent Scotland joining the EU***

- The only way to meaningfully reverse the losses inflicted by Brexit and ensure we have a seat at the table of the world's most powerful union of nations is for an independent Scotland to re-join the EU. We would seek to do that as soon as possible, and will be bringing forward a detailed paper on EU membership as part of our 'Building a New Scotland' series.

- Joining the EU as an independent country would bring benefits to our country. These benefits would include being part of the European Single Market and taking advantage of the EU's size when negotiating trade agreements, freedom of movement, participation in Erasmus+, automatic participation in Horizon, and tools and measures on law enforcement and judicial cooperation, to name just a few.
- Scotland also has a great deal to offer. For example – our shared values, our rich energy resources to contribute to European energy security, world class universities and research establishments, and a strong cultural heritage.

## 26.06.23 - BRITISH CHAMBER OF COMMERCE DINNER

<b>Key messages</b>	<p>The Scottish Government is committed to supporting economic growth for a purpose: to help businesses and trade to thrive and to maximise the opportunity for a fair green economy.</p> <p>I am keen to hear the views of members of the British Chamber of Commerce on how to help deliver on this commitment.</p> <p>Particularly on how businesses navigate the post-Brexit post-Windsor Framework – what could be done to help business flourish in this new environment? (Noting the war in Ukraine, the US Inflation Reduction Act, the cost of living crisis, EU intentions towards strategic economy)</p>
<b>What</b>	Short speech, reception and dinner.
<b>Why</b>	<p>To have a discussion with a unique range of people at the cutting edge of business and trade affairs.</p> <p>To advance the message around the Scottish Government’s commitment to growing the Scottish economy for a purpose.</p> <p>There are a wide range of different perspectives present at the reception and the dinner table representing, Belgian, British and EU interests.</p> <p>Learn from the collective expertise at the table, including businesses and advisors covering the tech, manufacturing, energy, biotech, agriculture, services and financial services sectors.</p>
<b>Who</b>	<p><b>(Host) Tom Parker</b>, President BritchamEU;</p> <p>Full attendee list and biographies at 4.</p>
<b>Where</b>	De Warande, Rue Zinner 1, 1000 Bruxelles
<b>When</b>	Monday 26 <sup>th</sup> June, 20:00 – 22.00
<b>Likely themes</b>	<p>The FM’s commitment to make Scotland more prosperous and grow the economy;</p> <p>Maintaining and improving Scotland’s status as an attractive place for trade and investment;</p> <p>What the Scottish Government can do to support trade and investment; and</p> <p>Business community concerns post -Brexit.</p>

<b>Media</b>	Tweet for @ScotGovFM/ScotGovBrussels
<b>Supporting official</b>	Martin Johnson, Director SGEUO [redacted], Head of Trade and Economic Affairs SGEUO
<b>Attached documents</b>	1. Summary 2. Speech 3. Agenda 4. Biographies 5. Organisation profile 6. Top lines

### **1. Summary**

- The attendees are well placed to give strategic insights on how best Scotland can maintain and improve its trade and investment relationship with Belgium and the EU and to reinforce the Scottish Government’s key message in the business community
- Several attendees have held roles in the European Commission related to trade and business including at the most senior levels.
- A senior representative from Flanders Trade and Investment (FIT), who have just opened an office in Edinburgh, will be present.
- All three Belgian Federal regions trade and investment bodies will be represented; with a diplomat from the Brussels Capital Region Belgian Embassy in London and a senior from the Walloon Export and Investment Agency alongside the FIT representative..

### **2. Speech**

Provided separately by FM Speechwriter

### **3. Agenda**

- 20:00 Reception
- 20:00 Head of Chamber to introduce and welcome FM
- Around 20:05 First Minister’s opening remarks (5 minutes)
- **20:30** Dinner: Guests to share views and discuss trade and investment with the First Minister
- **22:00** Return to hotel

### **4. Biographies**

<b>Tom Parker</b>	<b>President Britcham and Deputy CEO -SEC Newgate</b> Tom is an active member of the British business community in Brussels and is a regular commentator on lobbying practise and the future of the advocacy profession.
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**Michael Custers**

**Chief Marketing Officer, SD WORX**

SD Worx, is an HR & payroll services firm. Michael holds a BA from KU Leuven and an MBA from Vlerick Business School in Ghent.



**Samuel Servaes**

**Economic and Commercial Counsellor -  
Representative of the Brussels Capital Region**

Samuel is a Belgian Diplomat and represents the Brussels Region in the UK covering Trade and Investment. He holds a Masters in Public Management from Science Po (Paris).



**Pascale Walgrave**

**Strategic Project lead, Flanders Trade and Investment**

Flander Trade and Investment has recently opened an office in Scotland and they are studying opportunities to improve trade between Scotland and Flanders.



**Alphi Cartuyvels**

**Senior Executive, Walloon Export and Investment Agency (AWEX)**

Alphi studied law at KU Leuven and holds an MBA from Solvay Business School Brussels.



**Peter Bell**

**Board Director, Britcham- Director Expedite Group**

Peter has been a senior executive in, and consultant to, businesses in the IT and Commercial Property sectors since 1987.



**David Reed**

**Britcham / Senior Partner Kreab**

David studied at Edinburgh University. David is the Senior Partner of the Financial Policy Advisers Network at KREAB.

He has worked at the European Commission in DG FISMA and the Financial Conduct Authority.



**Robert Manning**

**Director British Agricultural Bureau**

Represents UK farmers in Brussels. Has worked for the European Commission in DG AGRI.



**Jenny Brunton**

**Senior Advisor British Agricultural Bureau**

Jenny Studied at Glasgow Caledonian University and previously worked for NFU Scotland.



**Amelie Matton**



**CEO Ecosteryl**

Amelie has studied management at MIT as well as at Louvaine. costeryl is a company that develops, manufactures and exports Medical Waste Treatment devices.

**Lowri Evans**



**Former DG Cion - Senior Advisor, Shearwater Global**

Lowri was Director-General for Internal Market, Industry, Entrepreneurship and SMEs -DG GROW. She is a Chartered Accountant and has also worked at Deloitte.

**Audrey Opdycke-Barnes**



**VP Regional Engagement, Codebase**

Audrey holds both an MSC and BSC from Edinburgh Napier University. She is responsible for regional growth at Codebase.

**Jill Craig**

**Partner, Penta Group**

Jill is a Partner in Penta's Brussels office. She is focused in the agri-business, trade, energy and financial services sectors.



**Pascal De Buck**



**CEO, Fluxys**

Pascal has been at Fluxys for 15 years working in energy infrastructure group in gas transmission & storage and liquefied natural gas terminalling.

**Christian Lange**



**CEO, Glutton Cleaning Machines**

Christian's background was in motorsport. His company specialises in garden waste cleaning, he is currently directing the building of new factory premises to produce machines in Wallonia.

**Claire Skeltenberry**



**Director General, European Association for Bioindustries**

Claire holds a PhD in biochemistry. She has worked in the development of scientific networks and associations for over 15 years. She is a founder of the Council of European BioRegions and lived and studied in Scotland.

**5. Organisation profiles**

- **The British Chamber of Commerce.** British Chamber of Commerce to the EU and Belgium facilitates bilateral business & trade between the UK and Belgium. It also has policy focused committees and seeks to lobby the EU.
- **Flanders Trade and Investment (FIT).** Supports Flanders-based companies in their international activities and aim to attract foreign companies to Flanders. **They have recently opened an office in Edinburgh.**
- **The Brussels HUB.** The Brussels Capital Region HUB aims to support an economy with a positive impact on society in Brussels. They are based in Brussels and several embassies of the Belgian Federal Government globally. They also consider socio-economic impacts and consider social and environmental values as key to their work.
- **Walloon Export and Investment Agency (AWEX).** AWEX, is the public service in Wallonia in charge both of attracting foreign investment to Wallonia-Belgium and to stimulate foreign trade by assisting the companies established in the region in their export endeavours. It works with all foreign companies interested in locating to Wallonia.

## **6. Top lines**

### **Inward Investment**

- Inward investment is a key driver for economic growth, creating a more open and outward facing economy, which is why we have clear ambitions for increasing the amount of high-quality, values-led inward investment.
- Although only three per cent of businesses in Scotland are inward investors, these businesses account for over a third of jobs, around half of Gross Value Added, just under two thirds of Business Expenditure on Research and Development (BERD) and three quarters of exports.
- Our Inward Investment Plan (IIP) (Oct 20) takes a strategic approach to identifying Scotland's strengths, aligning these with current and projected global investment flows, and sets out a series of actions to attract further inward investment to Scotland.
- The IIP identifies nine opportunity areas that have the greatest potential to maximise the delivery of spillover impacts that benefit the wider Scottish economy. These are grouped into three overarching priority areas of: net zero, digital and high-value manufacturing.

### **Wellbeing Economy and Economic Growth**

- Through my three interlinked missions of seizing the opportunities of net zero to grow a fairer, greener economy; prioritising public services; and tackling poverty, I am committed to transitioning to a wellbeing economy.
- We will help business and trade to thrive and support economic growth for a purpose: to drive improved living standards, promote wellbeing, reduce poverty, and deliver sustainable high quality public services.
- Harnessing and combining the economic power and opportunity of Scotland's rich renewable energy resources, the skills and talents of our people, and the knowledge and expertise of our businesses, large and small, will be critical to achieving this.
- We will deliver our National Strategy for Economic Transformation, with a sharp focus on policies and actions with the greatest potential to grow and change Scotland's economy, expand the tax base to fund excellent public services and make people's lives better.

## **New Deal for Businesses Group**

- We are acutely aware of the challenging operating environment that businesses continue to face in the wake of Brexit, recovery from the Covid pandemic, the current conflict in Ukraine and the resulting cost impacts.
- In the Policy Prospectus, I pledged to help business and trade to thrive and maximise the opportunity of the green economy, with fairness at its heart.
- We want to ensure that we are truly co-designing policy with businesses – and so involving businesses at an early stage of policy development is one of the key aims of the New Deal for Business Group.
- We recognise the importance of deepening our relationship with business, not only through engaging and communicating with them, but by actively aligning our policy with business and working in partnership on common goals.
- The new deal will allow us to better identify within a limited budget how we can achieve our ambitions of delivering a growing economy that increases wellbeing for everyone.

## **Support for Businesses**

- The impacts of the cost crisis, the pandemic, Brexit, and fiscal instability brought on by UK Government decisions have brought untold damage to our economy, with persistent high inflation and unprecedented drops in living standards.
- This backdrop underlines the need to transform our economy to one that is resilient and prioritises wellbeing – one that serves people, not the other way around.
- As we create a wellbeing economy, we will work closely with the private sector, the public sector – locally, nationally and UK wide – and we will engage directly with communities and partners in the third sector.
- A key priority is building economic resilience, supporting sectors that have been adversely impacted by COVID but make significant economic contributions across communities throughout Scotland.
- Our Policy Prospectus outlines firm actions to deliver real benefits to the people of Scotland through a strong, green economy.

## **Infrastructure and Investment**

- We will stimulate business growth by investing in innovation and expanding opportunities internationally, and we are supporting businesses to benefit from the transformational opportunities of digitalisation.
- The Scottish National Investment Bank has so far committed over £415m across 27 investments, in line with its strategic missions – net zero, place and people.
- Through our Inward Investment Plan we are working to support more strategic investments to deliver an extra 100,000 jobs over ten years, and our Export Growth Plan aims to increase exports from 20% of GDP to 25% by 2029.
- We are investing £50m over 10 years in the Islands Growth Deal to develop the skills, infrastructure and innovation in key industry sectors that will create high value jobs and unlock the full potential of our islands economies.
- We are increasing funding for research and development over this Parliament to £100m, to support businesses in developing the technologies of tomorrow.

- National Innovation Strategy (9 June) sets out our vision to become one of the world's most innovative small nations over the next decade – a key element of our efforts to transform the economy and drive a lasting improvement in economic performance.
- Our continued investment in the Reaching 100% (R100) programme will enable businesses to innovate and grow, underpin improvements to public services, and ensure the whole country can realise the benefits of the digital economy.
- We have already invested nearly £50m through our Digital Development Grant to help over 5,600 SMEs enhance their digital capability and skills, and improve productivity.

## 27.06.2023 AMERICAN CHAMBER OF COMMERCE BREAKFAST

<p><b>Key messages</b></p>	<p>The Scottish Government is committed to supporting economic growth for a purpose: to help businesses and trade to thrive and to maximise the opportunity for a fair green economy.</p> <p>I am keen to hear the views of members of the American Chamber of Commerce on how to help deliver on this commitment. The perspective of American business with interests in Scotland and the EU is specifically interesting here.</p> <p>Particularly views on how American businesses navigate the post-Brexit post-Windsor Framework – what could be done to help business flourish in this new environment?</p> <p>I am also keen to hear their views on the impacts of the Inflation Reduction Act (IRA) [pronounced eye-rah] and the EU’s response in the Green Deal Industrial Plan (G-DIP)</p>
<p><b>What</b></p>	<p>Breakfast meeting, with short opening remarks.</p>
<p><b>Why</b></p>	<p>AmCham EU speaks for American Businesses in Europe and aims to support business and influence EU policy.</p> <p>Several of the larger members of AmCham (including some of those attending the meeting) are significant investors in Scotland.</p> <p>This is an opportunity for the First Minister to have a discussion with a unique range of people at the cutting edge of business and trade affairs.</p> <p>It is also an opportunity for the First Minister to advance the message around the Scottish Government’s commitment to growing the Scottish economy for a purpose.</p> <p>There are a wide range of different perspectives present at the reception and the table representing, American, Scottish and EU interests.</p>
<p><b>Who</b></p>	<p><b>(Host) Susan Danger</b>, CEO, AmCham EU Full attendee list at 4. Biographies</p>
<p><b>Where</b></p>	<p>AmCham Office Av. des Arts 53, Brussels</p>
<p><b>When</b></p>	<p>27 June, 08:00-08:50</p>
<p><b>Likely themes</b></p>	<p>The FM’s commitment to making Scotland more prosperous and growing the economy; Maintaining and improving Scotland’s status as an attractive place for trade and investment; and Scotland’s potential as a hydrogen producer and what it can do to lead on the green transition.</p>

<b>Media</b>	Tweet for @ScotGovFM/ScotGovBrussels
<b>Supporting official</b>	Joni Smith, Deputy Director SGEUO [redacted], Head of Trade and Economic Affairs SGEUO
<b>Attached documents</b>	1. Summary 2. Speech 3. Agenda 4. Biographies 5. Background 6. Top lines


## **2. Speech**

Provided separately by FM Speechwriter.

## **3. Agenda**

- **08.00-08.05** - Arrival and welcome by Susan Danger CEO, AmCham EU
- **08.05-08.15** - Opening remarks
  - 08:05-08:10: Philippe Ducom, President, ExxonMobil Europe (Vice-Chair of the Executive Council of AmCham EU)
  - 08:10-15 First Minister
- **08.15-08.30**: Open discussion: Scottish/EU/US relations and priorities;
- **08.30-08.50**: Attractiveness of Europe / Scotland;
- **08.50-08.55**: Closing remarks, Susan Danger.

## **4. Biographies**

<p><b>Susan Danger</b></p> 	<p><b>CEO, AmCham EU</b></p> <p>She was appointed member of the Governing Board of the European Policy Center in March 2021. Susan was named by POLITICO as one of the top 20 women influencers in Brussels in 2016 and 2020. She holds a BA from the University of Bath in European Studies. She is a dual UK/Belgian national fluent in English German and French.</p>
<p><b>Chris Delaney</b></p>	<p><b>President EMEA, Goodyear</b></p> <p>Previously CEO of Goodman Fielder Limited, the largest public food company in Australia and New Zealand.</p> <p>Worked for 20 years at Procter &amp; Gamble. He is from Long Island, New York, a graduate of Trinity College in Hartford, Conn. with a bachelor's degree in history.</p>



**Philippe Ducom**



**André Ten Bloemendal**



**Zeger Vercouteren**

**President, ExxonMobil Europe**

Self-described “European and global citizen born in France”. An engineer by training, educated in Paris. He has worked at ExxonMobil for 35+ years.

**Vice President of Sales in Europe, ChargePoint**

André holds a degree in Electronic, Modelling and Simulation from the University of Twente. He has worked at a variety of energy and technology companies.

**Vice-President Worldwide Government Affairs & Policy for Europe, Middle East and Africa (EMEA) and Global Supply Chains, Johnson & Johnson (J&J)**

He has held a variety of roles in the healthcare sector prior to joining J&J. He holds a combined law degree from the FNDP-Namur/KU Leuven/UC-Barcelona Universities and an MBA from the Solvay Business School/ULB. He is Belgian, and speaks Dutch, French, English, Spanish and Catalan.

## **5. Background**

### **USA Inflation Reduction Act**

- The US Inflation Reduction Act (IRA) provides \$369 billion in subsidies to boost US domestic production of hydrogen, electric vehicles, solar panels, batteries and other green tech. Broadly speaking the EU and others have welcomed a positive push by the US towards net zero and against climate change. However, there has been criticism from most US allies because of the 'buy American' thrust, and subsidisation of only US based suppliers and companies.
- The EU and others have criticised the package. The US have since said they will allow Mexico and Canada access to the subsidies under the United States-Mexico-Canada Agreement (USMCA) and the American's have said they will also allow other "trade partners" to benefit. The UK and the USA have an agreement to agree in order to become a "trade partner"

### **Green Deal Industrial Plan**

- The EU has significantly shaped its Green Deal Industrial Plan (GDIP) in response to IRA. It comprises two principal financing streams totalling €1 trillion (\$1.1 trillion). Much of the money will come directly from the EU budget and the EU Emissions Trading System.
- There are two major legislative proposals which are part of the plan: First, the Net-Zero Industry Act which aims to stimulate the production of green technologies in Europe, but it does not follow the IRA with a "Buy European" approach which would be contrary to WTO rules.w; it aims to provide a simplified regulatory framework for manufacturing of key green products and technologies. Second, the Critical Raw Materials Act, which aims to secure EU access to critical raw materials and reduce dependence Secondon highly concentrated supplies from third countries (mainly China) focusing on coordinating and enhancing efforts to increase EU supply.
- The rest of GDIP focuses on improving skills, reducing regulatory burdens to funding and working with allies to build resilient supply chains.

### **Scotland-America**

- According to Scottish Enterprise, the USA continues to be Scotland's top export destination, with exports to the States accounting for 17% of the country's total international exports in 2019. Scottish exports to the US have an estimated value of £6bn to the country's economy.

### **AmCham EU**

- AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues.
- It aims to ensure a growth-orientated business and investment climate in Europe.

- AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters.
- Aggregate US investment in Europe totalled more than €3.7 trillion in 2022, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

### **The US companies represented in the meeting**

- **Goodyear** is one of the world's largest tire companies. It employs about 72,000 people globally and manufactures its products in 57 facilities in 23 countries around the world. Its two Innovation Centers in Akron, Ohio and Colmar-Berg, Luxembourg, strive to develop state-of-the-art products and services that set the technology and performance standard for the industry.
- **Exxon Mobil** is the world's leading publicly-owned energy company. It is moving into hydrogen production. Their Fife Ethylene Plant (FEP) manufactures ethylene by safely converting ethane gas from the North Sea. ExxonMobil shares the Mossmorran facility with the neighbouring Shell Fife Natural Gas and Liquids plant.
  - FEP employs around 200 staff made up of scientists, chemical, mechanical and environmental engineers, catering, cleaning, maintenance, technicians, analysts, planners and support staff.
  - FEP has donated over £3M to local charities over the years with £60,000 of that in the last year alone. Last year's donations went to around 30 local charities to help them buy everything from food and clothing to science equipment, defibrillators and even Christmas lights.
- **ChargePoint** is the world's largest network of electric vehicle (EV) charging stations in North America and Europe. 76% of Fortune 50 companies (the largest 50 US companies) are ChargePoint customers
- **Johnson & Johnson** is a multinational corporation focused on medical devices and pharmaceuticals. Johnson & Johnson annual revenue for 2022 was \$94.943 billion.

## **6. Top lines**

### **Inward Investment**

- Inward investment is a key driver for economic growth, creating a more open and outward facing economy, which is why we have clear ambitions for increasing the amount of high-quality, values-led inward investment.
- Although only three per cent of businesses in Scotland are inward investors, these businesses account for over a third of jobs, around half of Gross Value Added, just under two thirds of Business Expenditure on Research and Development (BERD) and three quarters of exports.
- Our Inward Investment Plan (IIP) (Oct 20) takes a strategic approach to identifying Scotland's strengths, aligning these with current and projected global investment flows, and sets out a series of actions to attract further inward investment to Scotland.

- The IIP identifies nine opportunity areas that have the greatest potential to maximise the delivery of spillover impacts that benefit the wider Scottish economy. These are grouped into three overarching priority areas of: net zero, digital and high-value manufacturing.

### **Wellbeing Economy and Economic Growth**

- Through my three interlinked missions of seizing the opportunities of net zero to grow a fairer, greener economy; prioritising public services; and tackling poverty, I am committed to transitioning to a wellbeing economy.
- We will help business and trade to thrive and support economic growth for a purpose: to drive improved living standards, promote wellbeing, reduce poverty, and deliver sustainable high quality public services.
- Harnessing and combining the economic power and opportunity of Scotland's rich renewable energy resources, the skills and talents of our people, and the knowledge and expertise of our businesses, large and small, will be critical to achieving this.
- We will deliver our National Strategy for Economic Transformation, with a sharp focus on policies and actions with the greatest potential to grow and change Scotland's economy, expand the tax base to fund excellent public services and make people's lives better.

### **New Deal for Businesses Group**

- We are acutely aware of the challenging operating environment that businesses continue to face in the wake of Brexit, recovery from the Covid pandemic, the current conflict in Ukraine and the resulting cost impacts.
- In the Policy Prospectus, I pledged to help business and trade to thrive and maximise the opportunity of the green economy, with fairness at its heart.
- We want to ensure that we are truly co-designing policy with businesses – and so involving businesses at an early stage of policy development is one of the key aims of the New Deal for Business Group.
- We recognise the importance of deepening our relationship with business, not only through engaging and communicating with them, but by actively aligning our policy with business and working in partnership on common goals.
- The new deal will allow us to better identify within a limited budget how we can achieve our ambitions of delivering a growing economy that increases wellbeing for everyone.

### **Support for Businesses**

- The impacts of the cost crisis, the pandemic, Brexit, and fiscal instability brought on by UK Government decisions have brought untold damage to our economy, with persistent high inflation and unprecedented drops in living standards.
- This backdrop underlines the need to transform our economy to one that is resilient and prioritises wellbeing – one that serves people, not the other way around.
- As we create a wellbeing economy, we will work closely with the private sector, the public sector – locally, nationally and UK wide – and we will engage directly with communities and partners in the third sector.
- A key priority is building economic resilience, supporting sectors that have been adversely impacted by COVID but make significant economic contributions across communities throughout Scotland.

- Our Policy Prospectus outlines firm actions to deliver real benefits to the people of Scotland through a strong, green economy.

### **Infrastructure and Investment**

- We will stimulate business growth by investing in innovation and expanding opportunities internationally, and we are supporting businesses to benefit from the transformational opportunities of digitalisation.
- The Scottish National Investment Bank has so far committed over £415m across 27 investments, in line with its strategic missions – net zero, place and people.
- Through our Inward Investment Plan we are working to support more strategic investments to deliver an extra 100,000 jobs over ten years, and our Export Growth Plan aims to increase exports from 20% of GDP to 25% by 2029.
- We are investing £50m over 10 years in the Islands Growth Deal to develop the skills, infrastructure and innovation in key industry sectors that will create high value jobs and unlock the full potential of our islands economies.
- We are increasing funding for research and development over this Parliament to £100m, to support businesses in developing the technologies of tomorrow.
- National Innovation Strategy (9 June) sets out our vision to become one of the world's most innovative small nations over the next decade – a key element of our efforts to transform the economy and drive a lasting improvement in economic performance.
- Our continued investment in the Reaching 100% (R100) programme will enable businesses to innovate and grow, underpin improvements to public services, and ensure the whole country can realise the benefits of the digital economy.
- We have already invested nearly £50m through our Digital Development Grant to help over 5,600 SMEs enhance their digital capability and skills, and improve productivity.

27.06.2023 –

**MEETING WITH LINDSAY CROISDALE-APPLEBY CMG, UK AMBASSADOR TO THE EU**

**1. Summary**

<b>Key messages</b>	
<b>Who</b>	<b>Lindsay Croisdale-Appleby</b> , Ambassador and Head of the UK Mission to the EU
<b>Why</b>	<p>This presents a useful opportunity to meet with and receive a briefing from Lindsay Appleby during your visit to Brussels and to gain his perspectives and reflections on the current state of EU-UK relations and prospects for the future.</p> <p>It is also standard procedure to meet with the Head of UK Mission during international visits.</p>
<b>When</b>	27 June 2023, 09.10 – 09.45
<b>Likely themes</b>	EU-UK relations; and Big picture EU themes and developments.
<b>Media / Social Media</b>	
<b>Supporting official</b>	Martin Johnson, SG EU Director
<b>Briefing contents</b>	<ol style="list-style-type: none"><li>1. Summary</li><li>2. Agenda</li><li>3. Biography</li><li>4. Top lines</li><li>5. Note of recent meeting with Cabinet Secretary Robertson.</li></ol>

A meeting with the UK's senior representative to the EU and head of the UK Mission to the EU.

**2. Agenda**

No Agenda agreed. We would expect Lindsay to focus on briefing you on: a) big picture challenges facing the EU. b) EU-UK relations.

### 3. Biography

<p><b>Lindsay Croisdale-Appleby, CMG</b></p> 	<p><b>Ambassador and Head of the UK Mission to the European Union</b></p> <p>Before his current role, Lindsay was Deputy Sherpa and Deputy Chief Negotiator in Taskforce Europe (10 Downing Street) throughout 2020. Lindsay was also the main point of contact with Scottish Government and other Devolved Government senior officials, for regular readouts during the TCA negotiations. He was a Director General in the Foreign &amp; Commonwealth Office (FCO) from 2017 to 2020, working on the EU and other issues.</p> <p>In the UK, Lindsay was the FCO Director for Europe (2015 to 2017), Principal Private Secretary to the Foreign Secretary (2010 to 2012), and Assistant Director for Recruitment and Development (2008 to 2010). He was Desk Officer in the Afghanistan Emergency Unit (2001 to 2002) and Desk Officer for Nigeria (1996 to 1997).</p> <p>He has worked overseas as the British Ambassador to Colombia (2013 to 2015), First Secretary at the UK Permanent Representation to the EU (2002 to 2008) and Second Secretary at the British Embassy in Venezuela (1997 to 2001). Lindsay joined the Foreign &amp; Commonwealth Office in 1996.</p>
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### 4. Top Lines

#### **UK / EU relations**

- I am aware that developments surrounding the Northern Ireland Protocol has created a degree of disruption in dealings with the EU institutions over the last year; but that there is cautious optimism for improved relations following the Windsor Framework agreement. **I am interested in your current assessment of the UK-EU relationship?**
- **What do you think the scope for development of the TCA is?** Particularly as we approach the review of the TCA, you will be aware of the key Scottish interests at play, and of the importance of listening to and understanding the positions of the Scottish Government, Welsh Government and Northern Ireland executive.

#### **Big picture EU themes and developments**

- The EU has changed significantly since the UK left, in part due to that departure, but also due to the changing world. Noting the war in Ukraine, the climate emergency and

geopolitical challenges around the US-China relationship, I'd appreciate your reflections on the EU's direction of travel.

### **Other engagement with Lindsay**

- I may also be meeting you at the PPA reception at Ducale, and during my meeting with EU Commission Vice-President Maros Šefčovič.
- I look forward to attending the Ducale reception on the PPA, do you have any reflections on how the Scottish Parliament's role could be enhanced in the PPA?

### **5. Notes from meeting with CabSec CEAC Angus Robertson, 1 June 2023**

A range of topics were discussed, these included:

- Overview from Lindsay Appleby and Will McFarlane (UK Deputy Ambassador to the EU) on key running issues of interest in Brussels.
- LA set out current status of EU-UK relations following agreement of the Windsor Framework. LA detailed that the Windsor Framework enables a normalising of relations and a refocus on operation of the TCA.
- AR set out areas of interest to Scotland including Horizon/programmes, youth mobility and veterinary agreement/SPS access issues.
- LA highlighted TCA review point and work within UKG to prepare. However current cion has 1 year left/narrow focus.
- discussion on energy focus of EU particularly in relation to Ukraine. AR set out Scotland's role/offer in contributing to European energy security and suggested increased joint working between UKMIS and SG on this issue.
- AR highlighted FCDO guidance, set out that he wanted a constructive relationship. Also flagged inconsistency with FCDO conducting meetings on wholly/partially devolved issue and need to ensure Devolved Government offices included as relevant.

## 27.06.2023 - ANN METTLER, BREAKTHROUGH ENERGY

<b>Key messages</b>	<p>Scotland remains focused on taking action to ensure we are prepared to play a key role in meeting our net zero ambitions as well as the growing European and global demand for hydrogen.</p> <p>We have a current reported potential pipeline of over 38GW (gigawatt) of offshore wind projects, on top of the 2.2GW which is currently operational.</p> <p>Furthermore, Scotland has the potential to deliver up to 94 Terawatt-hours (2.5 megatons) of hydrogen for export to Europe.</p> <p>We have the resources and opportunities, but how can we ensure that Europe makes full use of these resources and what does Scotland need to do to make itself a more attractive location for investment?</p> <p>Have Breakthrough Energy looked at Scotland as an investment opportunity either directly or in partnership with the Scottish National Investment Bank?</p>
<b>What</b>	Bilateral meeting.
<b>Why</b>	<p>To promote investment into Scotland for clean technology development and infrastructure. We are keen to understand what's missing from the Scottish picture that could encourage investment and whether BE have considered engaging directly in Scotland (rather than via intermediaries / UK Banks)?</p> <p>Ann Mettler is in close contact with global climate leaders and is on the board of Bill Gates investment board. She is a thought leader on net zero investments and challenges and can provide a good overview of the political and policy challenges facing us.</p>
<b>Who</b>	<b>Ann Mettler</b> , Vice President Europe, Breakthrough Energy; and <b>Philipp Offenber</b> , Senior Manager Europe, Breakthrough Energy.
<b>Where</b>	Scotland House Brussels
<b>When</b>	27 June 2023, 10.00-10.45
<b>Likely themes</b>	<p>The broad global context of net zero ambitions (COP28, IRA vs EU response); and</p> <p>What might make Scotland an even more desirable location for investment in net zero tech / innovation.</p>
<b>Media</b>	Tweet from @ScotGovNet Zero
<b>Supporting official</b>	Martin Johnson, Director, SGEUD <b>[redacted]</b> , Head of Research and Innovation, SGEUD

<b>Attached documents</b>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Agendas</li> <li>3. Biographies</li> <li>4. Toplines</li> <li>5. Background</li> </ol>
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## **1. Summary**

Established by Bill Gates, Breakthrough Energy is a network of entities and initiatives, including investment funds, non-profit and philanthropic programs, and policy efforts linked by a common commitment to scale the technologies we need to achieve a path to net zero emissions by 2050.

It has raised more than \$2 billion in committed capital to support more than 90 cutting-edge companies.. At COP26, an announcement was made by Bill Gates that Catalyst – a program within the larger Breakthrough Energy network – would match HMG funding (£200M) to focus on four key green technology areas: green hydrogen, long term energy storage, sustainable aviation fuels and direct air capture.


This meeting seeks to provide you with an overview of the global context for Net Zero as seen from the Breakthrough Energy perspective. It is also an opportunity to hear how Scotland must adapt if it is to become the most attractive location for Net Zero inward investment / innovation development


## **2. Agenda**

Discussion points agreed:

- The broad global context of net zero ambitions (COP28, IRA vs EU response); and,
- what might make Scotland an even more desirable location for investment in net zero tech / innovation.

## **3. Biographies**

<p><b>Ann Mettler</b></p> 	<p><b>Vice President, Europe at Breakthrough Energy</b></p> <p>Ann also serves as Director, Europe at Gates Ventures, the private office of Bill Gates.</p> <p>She is actively engaged in helping European administrations navigate the path towards Net Zero and is regularly consulted by the European Commission leadership as well as talking to thought leaders such as Dr Sultan Al Jabar (President of COP28) about how they might deliver their plans.</p> <p>In 2019, Ms. Mettler was recognized by Politico as one</p>
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	<p>of the top five women shaping Brussels. From 2014-2019, she was a Director-General and Head of the European Political Strategy Centre (EPSC), the European Commission's in-house think tank.</p> <p>From 2000-2003, she worked at the World Economic Forum, where she last served as Director for Europe. Prior to this appointment, she was responsible for the WEF's activities in the United States and Canada.</p> <p>Ms. Mettler has been widely published and quoted in key media outlets, such as the FT, The Economist, Wall Street Journal and International New York Times. She has provided analysis of current affairs on CNBC, Bloomberg TV and BBC, and is a frequent speaker at high-level conferences.</p>
<p><b>Philipp Offenberg</b></p> 	<p><b>Senior Manager, Europe</b></p> <p>Philipp has spent several years building up expertise in the field of energy, climate action, and sustainability, while working in high-level public policy positions. He serves as Senior Manager on the Breakthrough Energy Europe team, having joined the team in January 2020 and is based in Brussels.</p> <p>Philipp is responsible for BE Europe's EU-level policy engagement and Germany strategy. Between 2016-2019, Philipp worked as an Advisor on energy and climate policy in the strategy department of former European Commission President, Jean-Claude Juncker. Prior to that he was a Research Associate at both the King's College London and at the Jacques Delors Institute Berlin. He also worked at the consulting firm Accenture, on the Utilities and Resources team.</p>

## **4. Top lines**

- I remain focused on taking action to ensure Scotland is prepared to play a key role in meeting our net zero ambitions as well as the growing European and global demand for hydrogen.
- As you may know, we have a current reported potential pipeline of over 38GW (gigawatt) of offshore wind projects, on top of the 2.2GW which is currently operational.
- Furthermore, our economic analysis concludes that Scotland has the potential to deliver up to 94 Terawatt-hours (2.5 mentatons) of hydrogen for export to Europe.
- We have the resources and opportunities, **but how can we ensure that Europe makes full use of these resources and what does Scotland need to do to make itself a more attractive location for investment?**
- Have Breakthrough Energy looked at Scotland as an investment opportunity either directly or in partnership with the Scottish National Investment Bank?

### **Questions to raise (as appropriate)**

#### *Context:*

- How do you see the impact of the US Inflation Reduction Act having on Europe and is the EU doing enough to counteract this, for example through the European Green Deal?
- Is there a real risk that the US and EU agree to work together and isolate other likeminded States?

#### *Innovation:*

- Do you think the EU and UK are doing enough to support innovation and technology development in the drive to net zero and is there further action you believe would accelerate market development?
- What is needed to help bring forward clean technologies and help them to scale-up?
- How do we avoid becoming an incubator for early stage innovation, with companies then moving out of the UK and Europe as they grow?
- What are the roadblocks or barriers to investment in clean energy technologies and how can governments and the wider public sector de-risk and help unlock private sector investment?

#### *Finance:*

- What are the biggest barriers organisations experience in accessing finance to deliver net zero investments?
- How are you partnering with the European Commission and the European Investment Bank?
- Have you considered partnering with the Scottish National Investment Bank?

## **5. Background**

### **Hydrogen – top lines in Core Script**

Our economic analysis concludes that Scotland has the potential to deliver up to 126TWh of green hydrogen per year by 2045 (3.3 Mt), with up to 94TWh (2.5 Mt) of hydrogen for

export to Europe and the rest of the UK. The hydrogen export opportunity will benefit Scotland and the UK, but it is our view that Scotland and the UK can only realise these economic opportunities if we act quickly to put in place the necessary policy, regulatory and financial environment, relationships and support to develop robust supply chains, upskill our people and lay the groundwork to unlock investment and export opportunities.

### **SG Hydrogen Action Plan:**

Published in December 2022, this action plan draws out the action to be taken over the next five years to support the development of a hydrogen economy, to further our efforts to reduce greenhouse gas emissions from Scotland's energy system, while ensuring a just transition.

As a government, we are convinced that hydrogen, alongside renewable electricity, will play an extremely important part in our energy system going forward. Electrification will do the heavy lifting in our march towards net zero, but there are parts of our economy and energy system that are very difficult to electrify, and hydrogen could provide a solution for sectors such as heavy-duty on and off-road transport, shipping, aviation and industrial high temperature heat. Innovative and smart climate action will also include the use of hydrogen in the production of synthetic fuels and in energy storage solutions to help increase flexibility and balance the grid and there is some scope for hydrogen to support parts of our domestic heating systems.

Scotland has an Ambition of 5 GW of hydrogen production capacity by 2030 and 25 GW by 2045. We also have a potential pipeline of over 40GW of offshore wind projects. Our supply of renewable energy is likely to provide more than we need for domestic electrification, so would enable us to use surplus electrons for the creation of low-cost renewable hydrogen.

### **On the Hydrogen Europe Regional Pillar:**

The Scottish Government is a member of the Regional Pillar, an initiative organised by Hydrogen Europe which aims to improve the representation of regional and local authorities at European level in the field of hydrogen, facilitate the set-up of EU projects, increase the exchange of information with industrial players and help regions developing joint activities with Hydrogen Europe.

### **On Offshore Wind development:**

Scotland's natural resources, skilled offshore workforce, excellent port structure and strong innovation hub, make Scotland one of the best places in the world to develop offshore wind and its supply chain.

Scotland has 2.2GW of operational offshore wind. In the pipeline there is 2.8GW under construction, 1.1GW awaiting construction, and 4.2GW of projects in planning ahead of the ScotWind and INTOG projects. ScotWind (see below) reflects very significant market ambition for offshore wind in Scottish waters – almost 28GW across 20 projects.

The INTOG offshore wind leasing and planning exercise presents significant opportunities to decarbonise oil and gas (TOG) production in Scotland while, crucially, enabling the offshore

wind sector to expand, innovate (IN) and drive forward Scotland's ambition to be a renewables powerhouse. It could add a further 5.5GW of capacity for offshore wind.

This means that subject to planning and consenting decisions and finding a route to market, we have a current reported potential pipeline of over 38GW of offshore wind projects, on top of the 2.2GW which is currently operational.

Therefore Scotland currently has total potential capacity for over 40GW – this is the equivalent of producing enough electricity annually to power every home in Scotland for 17 years, or every home in the UK for over a year and a half. We continue to engage with UK Government to ensure that improvements to grid infrastructure are planned and carried out to help maximise the opportunity Scotland offers through renewable energy.

### **Renewable Hydrogen production:**

We are assessing the detail of the ScotWind projects and looking at where the opportunities exist for achieving wider policy objectives including the potential for floating offshore wind projects and renewable hydrogen production to help meet our ambition of generating at least 5GW of installed renewable and low carbon hydrogen capacity by 2030 and 25GW by 2045.

Out of 20 ScotWind projects, 15 have indicated they are exploring hydrogen production, presenting a range of new energy and export opportunities for Scotland. The importance of accelerating the transition to renewable energy sources, including hydrogen, has been brought into sharp relief by the war in Ukraine.

With a commitment to supporting the development of Scottish supply chains and to working collaboratively with industry and international partners to develop hydrogen export markets, Scotland has a unique opportunity to provide security of supply of renewable hydrogen to the UK and Europe in future.

### **On ScotWind:**

ScotWind is the first devolved leasing round for offshore wind development in Scottish waters, and the first leasing round in Scotland in a decade.

The conclusion of the leasing auction and the clearing process is a huge vote of confidence in Scotland.

ScotWind reflects very significant market ambition for offshore wind in Scottish waters and will deliver over £750m in revenues to the public purse in initial option fees. In addition, ScotWind could potentially raise several billion pounds more in rental revenues when projects become operational.

**(1) PRIVATE LUNCH**

<b>Key messages</b>	Scotland’s desire is to continue to work very closely with EU partners despite Brexit.  Scotland has much to offer the EU, including on the big strategic challenges the EU faces, including firstly, renewable energy and green hydrogen, secondly, our science and research base, thirdly our experience on the well-being economy.
<b>What</b>	FM will be invited to deliver opening remarks to the lunch (5 minutes) before Fabian Zuleeg (EPC Chief Executive) moderates the discussion amongst the invited guests.
<b>Why</b>	EPC are a key Brussels think tank, and this engagement offers the platform for the FM to set out his vision and listen to expert views on the topics raised from key figures in the Brussels bubble.
<b>Who</b>	<b>Fabian Zuleeg</b> , Chief Executive and Chief Economist of the European Policy Centre and moderator; and <b>10 total attendees</b> (see document 4 for external biographies).
<b>Where</b>	EPC, Rue du Trône 14, Brussels
<b>When</b>	27 June 2023, 12.30-13.55
<b>Likely themes</b>	Scotland’s offer to the EU (Hydrogen, Higher education/Erasmus); EU strategic challenges; UK-EU relations; and Brexit/Constitutional Politics.
<b>Media</b>	Tweet for @ScotGovFM/ScotGovBrussels
<b>Supporting official</b>	Martin Johnson, EU Director <b>[redacted]</b> , SG EU Head of Justice and Home Affairs
<b>Attached documents</b>	1. Summary 2. Speech 3. Agenda 4. Biographies 5. Briefing

**1. Summary**

**INFORMAL ROUND TABLE DISCUSSION WITH EU STAKEHOLDERS**

Fabian Zuleeg will offer a few introductory remarks to set the context for this informal round-table, he will then invite you to outline some topics upon which you would welcome the discussion to focus. We would suggest that you raise the following:

1. Scotland's shared values and contribution to the EU's strategic agenda, particularly on hydrogen/energy security
2. Prospects for the EU-UK relations, and what Scotland wants from any possible Trade and Cooperation Agreement review.
3. Scotland's right to choose its own future and potential re-accession to the EU

**EPC sent the following invite:-**

*This off-the-record exchange, held under Chatham House rule, aims to explore three critical aspects that will shape the future of Europe: the state of play and future of EU-UK relations, the UK's – and by extension Scotland's – newfound role as a third country, and the future of the EU in a rapidly changing landscape.*

*The EU and UK continue to navigate the intricacies of their post-Brexit relationship, including the Horizon Europe negotiations and the recently agreed Memorandum of Understanding on Financial Services. What is next for the UK and the devolved nations? This Roundtable will examine the key areas of cooperation between the EU and the UK and the evolving dynamics and implications for both sides.*

*The EU has entered a new era marked by fundamental transformative shifts in global geopolitics, technology, and demographics. Against this backdrop, participants will also explore the challenges and opportunities ahead and envision the EU's role in shaping international relations, driving sustainable growth, and addressing pressing global issues.*

**2. Speech**





To be sent separately by FM Speechwriter




**3. Agenda**

Before 1230	Arrival at EPC
1230	Moderator's opening remarks
1235	FM Invited to deliver opening remarks
1240	Lunch begins
1355	Lunch concludes

**4. Biographies**

<b>Dr. Fabian Zuleeg</b>	<p><b>Chief Executive, EPC</b>          Chief Executive since 2013. Also Chief Economist (a post he has held since January 2010). Holds a PhD on the political economy of EU accession from Edinburgh University. Previously worked as an economic analyst in academia, the public and the private sector.</p> <p>Was a member of the FFM's Standing Council on Europe</p>
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<p><b>Janis A. Emmanouilidis</b></p> 	<p><b>Director of Studies, EPC</b>  EPC's Director of Studies since 1 October 2013. Advisor to various governments, EU institutions, European parties and NGOs on a broad range of issues related to European integration. Also been co-responsible for the New Pact for Europe project, which since 2013 has published numerous reports on the future of Europe.</p>
<p><b>Rebecca Wood</b></p> 	<p><b>Director, Brunswick Group</b>  Over 10 years of experience in financial regulation and policy making, including roles at Finance Watch and as Head of European Policy at the City of London Corporation's EU office.</p>
<p><b>Shada Islam</b></p> 	<p><b>Senior Advisor, EPC</b>  Specialist in Europe, Asia, Africa, Geopolitics, Trade, Migration, Inclusion, Diversity and Women's Empowerment policy. Runs a Brussels-based global strategy and advisory media company, New Horizons Project (NHP).</p>
<p><b>Stefaan de Rynck</b></p>	<p><b>Head of European Commission's Representation in Belgium</b>  Formerly senior Advisor to EU Chief Negotiator Michel Barnier on Brexit matters. Attended similar event with FFM in Feb 2020 when he was in the UK Task Force,</p>

	<p>European Commission. Recently wrote a book "Inside the Deal, how the EU got Brexit done".</p>
<p><b>Valérie Michel</b></p>	<p><b>Second Deputy Head, Mission of Switzerland to the EU</b></p>
	<p>Also Head of Division Security Policy, Legal Affairs and Schengen.</p>
<p><b>Laura Rayner</b></p>	<p><b>Senior Policy Analyst, EPC</b></p>
	<p>Responsible for Social Europe and Well-being Programmes at the EPC. Research focuses on EU social policies: demographic change, the just transition, housing and the changing world of work, as well as EU economic governance and COVID recovery. Laura worked for many years as an assistant in the European Parliament to Alyn Smith while he was MEP.</p>

## **5. Briefing**

*Key lines/rebuttal on likely themes covered in 'Core Script'.*

In this Chatham House-rule discussion over lunch, specific questions may be raised on the topics raised during your meeting with officials on 21 June.

If pressed on these issue, we suggest the following replies:-

### **Accession**

We would respect and follow the processes under article 49, and would expect Scotland to accede as quickly as possible.

## Transition

We would look to ensure sensible transition arrangements, which would be in the best interests of people and businesses.

## Borders

[As per the BANS Economy paper] Scotland would meet its obligations as an EU member state and recognise some checks on goods would be required.

On free movement of people, Scotland would expect to remain part of the Common Travel Area.

## Currency

Scotland recognises the requirements of EU membership and we stand ready to meet those.

## Additional Lines

### Accession

An independent Scotland would not be starting from scratch in its progression towards EU membership. Scotland has observed the legal obligations of EU membership for over 45 years, and would continue to observe its obligations in the future.

Article 49 of the Treaty of the European Union provides the clear process for joining the EU, which an independent Scotland would follow.

The terms of membership will be subject to negotiations with the European Commission, the European Parliament and the EU member states of the time consistent with the relevant provisions of the EU Treaties.

Supportive quotes:

- **Donald Tusk**, former European Council president, said: "I am very Scottish, especially after Brexit. Emotionally I have no doubt that everyone will be enthusiastic here in Brussels, and more generally in Europe..." (02/02/2020).
- **Lord Kerr**, the former UK ambassador to the EU, said: "The good news is that it would be a very swift accession negotiation... People who are declared eligible to join can join as soon as they're ready to accept the whole of the acquis. Since the Scots would, presumably... still be applying something very close to the existing acquis, they'd be in very fast." (Buzfeed News, 30/10/2017)

## Transition

The UK negotiated a transition period after EU exit, with a view to an orderly process and allowing time to negotiate new trade deals and so on. The Scottish Government argued it

should have been extended as the Withdrawal Agreement allowed. We would be seeking a similar approach in this case. It would be in all parties' interests to agree such an approach.

### **Borders/Common Travel Area – Building a New Scotland: Economy Paper**

In joining the EU, an independent Scotland would adopt what is called the Schengen acquis, a set of common obligations and rights EU countries adhere to, in so far as it concerns cooperation between police, customs and border authorities.

Under an arrangement called the Common Travel Area (CTA) Scotland would, like Ireland, retain freedom of movement within these islands, including the UK and Ireland. This is an agreement that allows for free movement between the UK, Ireland, the Channel Islands and the Isle of Man by citizens of those territories. It also gives reciprocal rights for British citizens in Ireland, and Irish citizens in the UK.

Ireland is both an EU member state and part of the CTA – which is a long-standing arrangement recognised in EU treaties. It would make sense for all parties for the same arrangements to apply to Scotland in the event of independence.

### **Currency**

What we have said (in Building a New Scotland series) to date:

- *“We propose that, on independence, Scotland would continue to use the pound sterling for a period before moving to our policy of adopting a Scottish pound. The change would take place as soon as practicable through a careful, managed and responsible transition, guided by criteria and economic conditions rather than a fixed timetable. ”*

## (2) PUBLIC EVENT

<b>Key messages</b>	<b>Scotland's offer to the EU: Opportunities and ambitions in the new relationship</b>  Scotland's desire is to continue to work very closely with EU partners despite Brexit.  Scotland has much to offer the EU, including on the big strategic challenges the EU faces, for example, on renewable energy and green hydrogen, secondly, our science and research base, thirdly our experience on the well-being economy.
<b>What</b>	FM will be invited to deliver a short speech (15 mins) before taking moderated questions for 30 minutes.
<b>Why</b>	EPC are a key Brussels think tank, and this engagement offers the platform for the FM to set out his vision.
<b>Who</b>	<b>Janis A. Emmanouilidis</b> - Director of Studies, EPC – will moderate the session.
<b>Where</b>	EPC, Rue du Trône 14, Brussels
<b>When</b>	27 June 2023, 14.00-14.45
<b>Likely themes</b>	Scotland's offer to the EU (hydrogen, higher education/Erasmus); EU strategic challenges; UK-EU relations; and Brexit/Constitutional Politics.
<b>Media</b>	Tweet for @ScotGovFM/ScotGovBrussels
<b>Supporting official</b>	Martin Johnson, EU Director
<b>Attached documents</b>	1. EPC Invitation 2. Speech 3. Agenda 4. Briefing

## **1. EPC Invitation**

The European Policy Centre is delighted to invite you to this in-person address by the First Minister of Scotland Rt. Hon Humza Yousaf MSP. This event marks the First Minister's first international visit since taking office. Despite the UK's departure from the European Union, Scotland remains steadfastly European, with an unwavering commitment to fostering robust and mutually beneficial relationships with partners in the EU. During this event, the First Minister will set out his vision for Scotland's relationship with the Union. He will explore the profound challenges facing Europe today and offer insights into how Scotland can actively contribute to addressing these challenges, both now and in the future.

## **2. Speech**

Sent separately

## **3. Agenda**

1400	Event opens
1405	Moderator's opening remarks
1405	FM invited to deliver short speech
1420	FM speech concludes, floor opens to questions
1445	Event closes

## **4. Briefing**

Key lines/rebuttal on likely themes covered in 'Core Script'.

In this public event, specific questions may be raised on the topics raised during your meeting with officials on 21 June.

If pressed on these issue, we suggest the following replies:-

### **Accession**

We would respect and follow the processes under article 49, and would expect Scotland to accede as quickly as possible.

### **Transition**

We would look to ensure sensible transition arrangements, which would be in the best interests of people and businesses.

### **Borders**

[As per the BANS Economy paper] Scotland would meet its obligations as an EU member state and recognise some checks on goods would be required.

On free movement of people, Scotland would expect to remain part of the Common Travel Area.

### **Currency**

Scotland recognises the requirements of EU membership and we stand ready to meet those.

## 27.06.2023 - MEETING WITH BRIDON-BEKAERT, THE ROPES GROUP

<b>Key messages</b>	<p>Scotland remains the right location for continued investment due to the opportunities in ScotWind &amp; Innovation and Targeted Oil and Gas (INTOG) leasing rounds;</p> <p>Scotland is fully behind supporting companies on these opportunities available and that processes for INTOG and ScotWind will be in place (e.g. consenting, planning approval etc.) to allow things to run smoothly and progress efficiently.</p> <p>I wish to emphasise my support as you progress plans to invest £15 million (on equipment and facilities) in their Grangemouth facility</p> <p>I'd appreciate your views on what can be done to help your business flourish in Scotland, particularly post-Brexit and post-Windsor Framework</p>
<b>What</b>	Meeting with the CEO and management team of Bridon-Bekaert The Ropes Group
<b>Why</b>	Meeting an important inward investor to Scotland upon the recommendation of SDI.
<b>Who</b>	<p><b>Oswald Schmid</b>, CEO, Divisional CEO of Bridon-Bekaert Ropes Group <i>ad interim</i> and CEO of Bekaert;</p> <p><b>Christof Dewijngaert</b> [pronounced Davingert], General Manager, Synthetic Ropes; and</p> <p><b>Greg Mozsgai</b> [pronounced Mozguy], Technical &amp; Operations Director, Synthetic Ropes.</p>
<b>Where</b>	Scotland House, Brussels
<b>When</b>	15:00 – 15:45, 27 June 2023
<b>Likely themes</b>	<p>Floating Offshore Wind;</p> <p>Scotwind/INTOG;</p> <p>Investment in Scotland;</p> <p>People &amp; skills availability; and</p> <p>Scotland's export potential.</p>
<b>Media</b>	Tweet for @ScotGovFM/ScotGovBrussels
<b>Supporting official</b>	<p>Martin Johnson, Director SGEUO;</p> <p><b>[redacted]</b>, Head of Agriculture and Climate Change, SGEUO;</p> <p>Johannes Augustin, EMEA Lead for Lead Generation &amp; Business Development and Senior Country Representative Germany, Scottish Development International.</p>
<b>Attached documents</b>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Company Profile and Scotland</li> <li>3. Recent Engagement</li> </ol>

	4. Biographies 5. Offshore Wind briefing
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## **1. Summary**

Scottish Enterprise has recommended that the First Minister meet with Bridon-Bekaert The Ropes Group during his visit to Brussels, Belgium, to demonstrate support at the highest level of government to their CEO as they progress plans to invest £15 million (on equipment and facilities) in their Grangemouth facility to position themselves for opportunities in **Innovation and Targeted Oil & Gas** (INTOG) & ScotWind in c. 5 years' time. This proposed project will increase employee numbers from 30 to 100 at the Grangemouth site.

Bridon-Bekaert The Ropes Group aim to be the world leader of mooring systems for floating offshore wind turbines with the majority of production taking place in Scotland. The company's factories in Scotland manufacture synthetic rope – the MoorLine rope – an anchor line of choice for deepwater oil platforms. The intention is to make MoorLine suitable for floating wind and thus an important part of the INTOG and ScotWind supply chains.

This meeting provides an opportunity to hear from the company on:

- their plans to invest £15-20m in Scotland to prepare them for the floating wind opportunities in INTOG and ScotWind;
- their challenges in bridging the gap between existing oil and gas focused business operations and the huge floating wind potential in 5+ years including keeping their workforce busy meantime;
- their concerns about the talent pool available (manual and management). In particular, the specific skills required, the number of people required and competition from other floating wind supply chain projects (which SDI and SDS is supporting on); and
- their synthetic rope export potential with ambitions to have wider export opportunities from their site in Grangemouth (which SDI is supporting).

## **2. Company profile and Scotland**

### **Company profile**

Bridon-Bekaert The Ropes Group (BBRG) is within the Belgian Bekaert Group and was formed on 29th June 2016 by the merger of Bridon Group with the steel ropes and advanced cords businesses of Bekaert. Prior to the merger in 2016, Bridon and Bekaert were existing business partners. They sourced steel wire, ropes and half-products from one another and were involved in a previous joint venture. Together, they hold over 300 years of specialized experience in steel wire and synthetic ropes and cords solutions, serving thousands of customers globally across different markets: oil & gas, elevator, surface and underground mining, cranes and industrial, infrastructure, fishing and forestry.

The company has 17 manufacturing locations around the world: holding strong positions in the US and Europe, Latin America, Canada and Australia.

### **Scotland**

The company has two factories in Scotland – one in Grangemouth and another in Coatbridge; employing a total of 54 employees and the only factories in the group to manufacture synthetic ropes.

The company has been awarded a grant of £860,000 from Scottish Enterprise, against a spend of £4.5m, to undertake R&D to develop a synthetic mooring system for floating wind platforms.

The first floating wind demonstrators relied on heavy chain anchor lines to keep the floaters in position, but as the scale of turbines and farms increase, this solution is prohibitive from cost and reliability point of view. Synthetic lines like the company's MoorLine offer better reliability and lower cost but require additional protection and testing in shallow harsh water environment. The Scottish Enterprise grant supports a development program with the Japanese Nippon Foundation (Japan) to address this.

Alongside this development program, the Bekaert group is bringing multimillion equipment investments into the Grangemouth facility and has been strengthening the management team with both local and international expatriate talent. The company's synthetic rope is particularly attractive for mining, crane ropes and floating wind and offshore platform mooring projects. A recent acquisition of mining expertise in Florida may bring work to Grangemouth. Scottish synthetic crane ropes are currently being piloted in the Panama Canal. For floating wind, Bridon Bekaert signed a strategic agreement with French Floating Wind developer IDEOL and has existing business relationships with more than half of the recent Scotwind winners.




## **3. Recent engagement**

Mr McKee met with the previous CEO of Bekaert Bridon Ropes Group on 22 February 2022 in Aberdeen, together with Christof Dewijngaert and Greg Mozsgai who are attending this

meeting, to discuss their investment plans for Scotland. Since then, the company has appointed a new CEO, Oswald Schmid. Former SDI employee, Anusha Appadoo has also joined the company as Business Development Manager improving the levels of engagement with the company.

The company is account managed by Andrew Gosden, SDI, who last met with a representative from the company's Grangemouth factory on 13 March 2023. He, together with SDS and SMAS, are actively supporting and engaging with the company around recruitment, skills, offshore wind, networking, grant funding and making relevant introductions to Scottish universities and colleges.

#### **4. Biographies**

<p><b>Oswald Schmid</b></p> 	<p><b>CEO, Bridon-Bekaert Ropes Group <i>ad interim</i> and CEO of Bekaert</b></p> <p>Joined Bekaert in 2019 and became CEO in 2021. Began his career with Semperit in 1984, before moving to Continental in 1990 as Head of Purchasing and later on as General Manager for a ContiTech Hose business. In 2002, Oswald Schmid joined Schindler as Chief Purchasing Officer and held various regional CEO as well as area management positions.</p>
<p><b>Christof Dewijngaert</b></p> 	<p><b>General Manager Synthetics at Bridon-Bekaert</b></p> <p>Heads the synthetic rope team at Bridon-Bekaert, the leading global manufacturer of offshore mooring lines. A contributor to several floating demonstrators around the world.</p>
<p><b>Greg Mozsgai</b></p> 	<p><b>Technical and Operations Director for Synthetic Ropes, Bridon-Bekaert</b></p> <p>Based in Edinburgh, Greg leads the Scottish based fibres rope operations. Works primarily in R&amp;D in microelectronics, electrochemical fuel cell and high-performance fibre rope industries. Prior to joining Bridon-Bekaert in late 2020, worked in China, the US and Canada.</p>

## **5. Offshore Wind briefing**

### **SCOTWIND**

#### **ScotWind is the world's largest commercial round for floating offshore wind and puts Scotland at the forefront of offshore wind development globally.**

- ScotWind is the first devolved leasing round for offshore wind development in Scottish waters, and the first leasing round in Scotland in a decade.
- The conclusion of the leasing auction and the clearing process is a huge vote of confidence in Scotland.
- ScotWind reflects very significant market ambition for offshore wind in Scottish waters and will deliver over £750m in revenues to the public purse in initial option fees.
- In addition, ScotWind could potentially raise several billion pounds more in rental revenues when projects become operational.
- The leasing fees reflect the challenging conditions for many projects in Scotland – in particular the depth of water that requires the deployment of more advanced, and more expensive, floating wind turbines.
- The process undertaken has produced a leasing round focused on quality and deliverability of bids, and the long term prize of supply chain investment which promises to transform the Scottish economy over decades and to provide the energy transition required to achieve Net Zero by 2045.

### **INNOVATION AND TARGETED OIL & GAS (INTOG) DECARBONISATION**

#### **The INTOG offshore wind leasing and planning exercise presents significant opportunities to decarbonise oil and gas production in Scotland while, crucially, enabling the offshore wind sector to expand, innovate and drive forward Scotland's ambition to be a renewables powerhouse.**

- The INTOG leasing round is a 'first of its kind'.
- It is the next step in realising another world leading opportunity for Scotland's energy transition.
- We welcome the Crown Estate Scotland announcement made on the 24 March 2023 of the successful 13 INTOG applicants, which will be offered exclusivity to develop offshore wind in Scotland's seas.
- Should these developments all come forward, they will add 5.5GW of potential generation capacity to the pipeline of projects in Scotland - up to 449MW for innovation projects and 5GW for targeted oil and gas decarbonisation.
- The projects offer a significant potential revenue stream for the Scottish Government, amounting to up to £261m in option fees if these are converted to full option agreements, following adoption of the offshore wind Sectoral Marine Plan.
- Scottish Ministers will consider in due course how the INTOG revenues should be invested to maximise the benefits for the people of Scotland.
- Successful projects were selected by Crown Estate Scotland following careful evaluation using their published evaluation criteria in their Offer document of August 2022.
- Oil and gas continues to play an important role in our economy and it is therefore vital that the existing energy industry decarbonises as rapidly as possible. We must deliver a just transition in a way that takes our existing skilled workforce and supply chain with us.

- This is a huge opportunity for existing offshore oil and gas platforms to reduce their emissions by using electricity generated directly from local wind turbines and to meet the targets in the North Sea Transition Deal.

## **AMBITION**

### **We recognise our offshore wind ambition now needs to be reviewed in light of the market ambition expressed in response to the ScotWind leasing round.**

- Our Offshore Wind Policy Statement (2020) set out the Scottish Government’s ambition for 8-11GW of offshore wind in Scotland by 2030.
- The ScotWind announcement set out a much larger offshore wind potential than expected.
- Our review of the Sectoral Marine Plan will now assess the potential impact of the increased capacity to help deliver sustainable offshore wind in Scotland.
- We consulted on increasing this ambition, and setting a further ambition for 2045 through the draft Energy Strategy and Just Transition Plan.
- We are committed to considering the responses to the consultation very carefully and have commissioned independent analysis of these.
- The final version of the Energy Strategy and Just Transition Plan will be published once we have conducted a thorough review of the consultation responses and engaged with the full range of stakeholders.

## **SUPPLY CHAIN**

### **We are determined to maximise the economic opportunity for the Scottish supply chain from our offshore wind potential.**

- We welcome the commitment of developers to invest an average projection of £1.4 bn in Scotland per project, which equates to around £28bn across the 20 ScotWind offshore wind projects.
- We will drive forward offshore wind skills development – working with stakeholders to focus on the opportunities for diversification and skills transfer from our oil and gas sector, in line with our commitment to a Just Transition.
- We will also continue to make every effort to ensure that our indigenous skilled workforce and supply chain can maximise the benefit from developing Scotland’s significant offshore wind potential and the opportunities for innovation that will unlock this.
- The Green Jobs Fund will make £100m of capital investment available to businesses and supply chains across Scotland to help create new green jobs.
- In May 2022 the Scottish Offshore Wind Energy Council (SOWEC) developed a Collaborative Framework Charter which has helped to forge effective partnerships to deliver our supply chain potential. This has now lead to the Strategic Investment Model (SIM), is aimed at enabling a move from project-led to sector level investment that better supports growth in port and supply chain capacity and capability.

## **JOBS**

### **It is widely accepted that offshore wind represents a significant opportunity to create thousands of good Scottish jobs.**

- According to the latest report from the Offshore Wind Industry Council (OWIC) [14 June 2022], jobs in this sector in the UK could grow to almost 100,000 by 2030.
- This recent OWIC report also shows a 16% increase in offshore wind jobs compared to last year, showing that the sector currently supports over 31,000 jobs, 30% of which are in Scotland.
- In fact, independent research carried out for the Scottish Trades Union Congress (STUC) in 2022 shows that Scotwind could add between 2,500-14,400 full time equivalent (FTE) employment. There are also significant opportunities for the Scottish supply chain from our offshore wind potential.

### **COMMUNITY BENEFITS**

- The draft Energy Strategy and Just Transition Plan, published on 10 January 2023, makes clear that we encourage developers to offer community benefit and shared ownership opportunities as standard on all renewable energy projects – including repowering and extensions to existing projects.
- The Scottish Government is currently reviewing our Good Practice Principles for community benefit from, offshore renewable energy developments ahead of public consultation in due course.

### **SCOTTISH GOVERNMENT STAKE IN OUR OFFSHORE WIND INDUSTRY**

**We are committed to maximising the public benefits of our renewables revolution and we will explore all options open to us to do so.**

- In addition to raising £700 million for the public purse through the initial awards alone, ScotWind developers have committed to invest £28 billion across the Scottish Supply chain, helping create thousands of new jobs and benefit local and regional economies up and down the country.
- A national public energy company that is involved in major energy generation would only be possible in an independent Scotland where we had full powers over the energy market and full access to borrowing.

## 27.06.2023 - ENTREPRENEURIAL CAMPUS LAUNCH

<b>Key messages</b>	<p>Today marks the publication of the Entrepreneurial Campus Blueprint paper, a key programme deliverable from the National Strategy for Economic Transformation (NSET).</p> <p>The Blueprint will supporting the creation and growth of start-ups to boost our economy, unlock sustainable growth and improve career opportunities for more people in Scotland.</p>
<b>What</b>	BeCentral (tech campus) tour and formal announcement of Blueprint's publication.
<b>Why</b>	<p>The Blueprint is a key deliverable of NSET Programme 1, Entrepreneurial People and Culture, Project 1: Embed First Rate Entrepreneurial Learning Across the Education and Skills Systems.</p> <p>To demonstrate Scotland's continued alliance with European partners and increase awareness of the Scottish Government's work to support innovative economic development and entrepreneurship.</p> <p>To increase visibility of Scotland's unique nation-wide Techscaler network and knowledge exchange and best practice within the wider Scottish technology ecosystem.</p>
<b>Who</b>	<p><b>Laurent Hublet</b>, Managing Director, BeCentral;  <b>Ross Tuffee</b>, co-author Entrepreneurial Campus report; and  <b>Audrey Opdycke-Barnes</b>, VP of Regional Engagement, Codebase.</p>
<b>Where</b>	BeCentral, 10 Cantersteen, 1000 Brussels
<b>When</b>	Tuesday 27 June 2023, 16.00
<b>Likely themes</b>	<p>Entrepreneurial activity as a driver for economic growth in the context of Scotland's National Strategy for Economic Transformation;</p> <p>Scotland's excellent education and research reputation and continued collaboration with European partners; and Erasmus.</p>
<b>Media</b>	<p>Tweet for @ScotGovFM/ScotGovBrussels.  Media bids are available at this visit.</p>
<b>Supporting officials</b>	<p>Joni Smith, DD, SG EUD  <b>[redacted]</b>, SG EUD Head of R&amp;I</p>
<b>Attached documents</b>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Stakeholder profiles</li> <li>3. Biographies</li> <li>4. Entrepreneurial Campus Blueprint briefing</li> <li>5. International Higher Education briefing</li> </ol>

### 1. Summary

Opportunity to announce publication of the Entrepreneurial Campus Blueprint paper. The Blueprint sets out how Scotland will deliver an entrepreneurial campus infrastructure, working with the college and university sector to establish campuses as hotbeds of start-up creation. It supports the 2022 National Strategy for Economic Transformation's ambition to stimulate entrepreneurship, a fundamental part of Scotland's wider vision for economic recovery.

### **Key tech sector stats**

- In 2022 the UK tech industry reached a combined market value of \$1 trillion and outperforming all of its European counterparts, being worth more than double Germany's tech sector (\$467.2 billion) and worth three times more than France's tech sector (\$307.5 billion), leading on overall funding, unicorns and startups numbers. (Dealroom, 2022).
- Edinburgh is one of eight UK cities which is home to two unicorns or more. (Dealroom, 2022).
- The sector has already returned to pre-pandemic economic growth levels of 4.7% GVA growth, and the sector's total workforce has increased by 3.6% to 87,200 between 2019-21, while the Scottish economy has declined by 2.2% in the same period. (ScotlandIS, 2023).

## **2. Stakeholder Profiles**

### **BeCentral**

BeCentral is a tech campus located in Brussels Central Station. Cofounded and backed by more than 60 entrepreneurs, it aims to "empower people to be actors of the digital revolution". The campus is made up of innovative educational programs, startups, scale-ups, NGO's and policy makers. Residents which will be highlighted on the First Minister's tour include:

**Google Digital Atelier:** Provides free digital skills training within walk-in registration to develop digital marketing, entrepreneurial and technical skills.

**Bruxelles Formation:** Brussel's city's francophone skills development and professional training agency. Signposts training and development to jobseekers and brings them together with local businesses. Trained almost 22,000 people to date.

**Youth Campus:** BeCentral's Youth Campus provides 500m2 dedicated to education projects, including free summer coding camps for kids.

**Rosa:** A non-profit digital healthcare app that provides offers healthcare service providers in Brussels patient management tools and patients round-the-clock booking facilities.

**Campus 19:** A coding platform based on peer-to-peer learning, open 24/7 and free for all aged 18+. Services provided free based on sponsorship model. totally free for its participants thanks to the financing of sponsors, and membership to 42 (a private higher education institute in Paris specialising in computer science).

**Orange Digital Centre and Fab Lab:** The Digital Centre offers free digital and entrepreneurial training courses to promote innovation, as well as start-up financing and prototyping. The Fab Lab provides physical resources for prototyping, including

3D printers, lasercutting, embroidery, thermoforming, as well as smart technology, electronics, and programming.

### **Blueprint authors**

Mark Logan, the Scottish Government's Chief Entrepreneur, commissioned Ross Tuffee (entrepreneur and investor), to collaborate with Honorary Professor Joe Little (Entrepreneur-in-Residence, University of Stirling) on the development of a blueprint for entrepreneurial campuses concept in Scotland.

### **Codebase and TechScaler**




In July 2022, Scottish Government awarded a five year £42m contract to Codebase for the delivery of a national TechScaler network of seven technology hubs delivering commercial education, online and person, to support the next generation of Scottish start-ups.

TechScaler is a major piece of infrastructure designed to support the creation of more tech start-ups in Scotland, and to help them to grow to scale. TechScaler is dedicated to the intensive schooling of tech entrepreneurs and will provide: long-term incubation space, access to experienced mentors, intensive founder team education where our start-ups will be exposed to the most current and best tech playbooks.

There is currently no equivalent to this programme anywhere else in Europe - the Scottish Government are the first in the EU to publicly invest in and back a piece of infrastructure of this scale to support early stage start-ups and start-up founders.

TechScaler could provide economic growth, the creation of new highly skilled jobs and tax revenue, with clear benefits for local communities and the wider economy. Hubs are located in Aberdeen, Dundee, Dumfries, Edinburgh, Glasgow, Inverness, Stirling.

### **3. Biographies**

<p><b>Laurent Hublet</b></p> 	<p><b>CEO, BeCentral</b></p> <p>Laurent Hublet is the co-founder &amp; CEO of BeCentral, one of the largest digital campuses in Europe. He is also the Deputy Dean for Lifelong Learning and the Chairman of the Board of Directors of Solvay Lifelong Learning. He is an Adjunct Professor, teaching leadership (management &amp; philosophy).</p>
<p><b>Ross Tuffee</b></p> 	<p><b>Entrepreneurial Campus Blueprint author</b></p> <p>Ross Tuffee is a tech entrepreneur, founder and CEO of Iceberg.tech, and former Chair of the Digital Technologies Skills Group (DTSG), the technology and public sector partnership which supports Skills Development's Scotland (SDS) digital skills activity.</p>
<p><b>Audrey Opdycke-Barnes</b></p> 	<p><b>VP of Regional Engagement, CodeBase</b></p> <p>Audrey Opdycke-Barnes is VP of Regional Engagement for CodeBase. She manages regionalisation strategies and region-specific partnerships across Scotland, including approaches for ensuring connections between regions (and countries) for sharing of knowledge, resources, and peer support for founders in the tech ecosystem.</p>

## **4. Entrepreneurial Campus briefing**

### **Top lines: the Higher Education Sector as a driving force for the entrepreneurial ecosystem**

- The development of entrepreneurial campuses across Scotland will play a key in delivering our National Strategy for Economic (NSET) ambition to “establish Scotland as a world-class entrepreneurial nation founded in a culture that encourages, promotes and celebrates entrepreneurial activity in every sector of our economy”.
- The vision of the ‘Entrepreneurial Campus’ aligns closely with the principles of the Scottish Technology Ecosystem Review and our Techscaler network.
- We will deliver a bold new set of actions across a number of themes in collaboration with our excellent further and higher education institutions, underpinned by regional alignment, inclusivity and a guiding framework for change.
- Supporting our Scottish educational institutions to become entrepreneurial campuses will bolster the far reaching reputation of research and innovation excellence whilst enriching our talented graduate pipeline and Scotland’s attractiveness to overseas students and international researchers.
- The programme of actions will facilitate international best practice and inspire entrepreneurship and innovation based learning and as a catalyst for future successful founders to form spin-outs with the ambition and skills to scale up businesses creating high quality employment opportunities and wealth generation within our communities.
- Supporting the creation and growth of start-ups is a key way to boost our economy, unlocking sustainable growth and better career opportunities for more people in Scotland.

### **Background: entrepreneurship and education**

- FE and HE institutions play a key role in both inspiring citizens (students, staff and members of the public) to engage and develop an entrepreneurial mindset and also in normalising entrepreneurship as a preferred career path.
- Entrepreneurial Campuses are an NSET Prog 1 Entrepreneurial People and Culture commitment under Project 1: Embed First Rate Entrepreneurial Learning Across the Education and Skills Systems.
- At this early stage the vision has been well received by education providers with a number of key institutions indicating they are committed to deliver. Ross Tuffee continues positive engagement with them including Herriot Watt, Stirling, Strathclyde, Robert Gordon, UHI, Scotland’s Rural College, City of Glasgow College.

### **Background: broader context**

- The publication of the Blueprint is timely as coincides with the recent publication of the independent Skills Review by James Withers. The report sets out a series of operational and structural recommendations which would see the Scottish skills delivery landscape

changed at scale. There is opportunity to align the recommendations from these reports to ensure a robust future skills provision and embed entrepreneurship within.

- We are working with Scottish Funding Council and partners to engage with universities to work to direct the recent uplift (£5.5m) to the University Innovation Fund (UIF), the UIF is an outcome driven approach that provides incentives to universities to work collaboratively to exploit their research to improve Scotland's economy.

### **Background: alignment to the National Strategy for Economic Transformation**

- NSET's six programmes of action focus on stimulating entrepreneurship; opening new markets; increasing productivity; developing the skills we need for the decade ahead; ensuring fairer and more equal economic opportunities; and creating a new culture of delivery.
- Programme 1, Entrepreneurial People and Culture, Project 1: Embed First Rate Entrepreneurial Learning Across the Education and Skills Systems. This includes:
  - Promoting the best available project-based entrepreneurial learning across the school and post-16 education curricula. This includes providing role models and mentors, initially for schools in areas of multiple deprivation.
  - Developing an entrepreneurial campus infrastructure, working with the college and university sector to establish campuses as hotbeds of start-up creation. This will include, for example, incubation spaces, seed funding, central banks of technical expertise to help budding entrepreneurs develop minimum viable products and summer schools targeted at generating new business ideas.
  - Developing innovative, industry-led pathways to redirect the best entrepreneurial talent into building new companies. This could, for example, include working with industry to create corporate venture studios - programmes focused on building new start-ups from the innovation needs of large corporate industries such as financial services, aerospace and telecoms.

## **5. International Higher Education briefing**

### **Top Lines: international mindset**

- Scotland is an outward looking country with an international focus.
- Scottish Government's priority is to become more active internationally, fostering good global connections by promoting educational and research exchange to raise the profile of Scotland as a place to live, work and study.

### **Top Lines: Scottish International Education Strategy**

- This is a commitment we made within the Programme for Government (PfG). We will develop a new strategy for international education, to promote Scotland's education offer globally and maintain our links with the EU.
- We are engaging closely with key stakeholders as we develop an International Education Strategy that promotes Scotland's education offer globally and attracts a diversity of students to our institutions.

### **Top Lines: Erasmus+**

- The UK Government decided not to participate in Erasmus+. It is disappointing that the UK Government's decision not to associate to Erasmus+ currently prevents Scotland from participating fully in its own right.
- The programme had a major impact in Scotland, with proportionally more students from Scotland taking part in Erasmus than from any other country in the UK, and proportionally more EU students came to Scotland on Erasmus than to anywhere else in the UK.
- The UK Government has launched the Turing Scheme as a replacement for the Erasmus+ programme.
- The Turing Scheme does not match the breadth and scope of Erasmus+. It offers no provision for inward mobility to the UK, nor does it offer any provision for staff inward or outward mobility.
- We will continue to engage with the UK Government to make Turing better reflect the needs of Scotland.
- The Turing Scheme's first round of application results, where each nation within the UK received less funding than previously secured under Erasmus+, highlights the need for the Scottish Government to consider how best to offer staff and learners further opportunities for education mobility exchange.

## 27.06.2023 - JAN JAMBON, MINISTER PRESIDENT OF FLANDERS

<b>Key message</b>	<p>The Scottish Government greatly values our relationship with Flanders and the friendship that the Minister-President has shown Scotland through meeting with Ministers, visits to Scotland and attending our cultural events at Scotland House Brussels.</p> <p>We hope to expand our collaboration on trade, climate action, higher education, culture, and other areas where we have shared interests through the signing of this MOU. Flanders is the motor of Belgian trade, so a strong trade relationship between Flanders and Scotland is key.</p>
<b>What</b>	<p>A short introductory meeting with Jan Jambon, Minister-President of Flanders. During this meeting, the First Minister and Mr Jambon will sign an MOU between Scotland and Flanders.</p> <p>The Former First Minister met with Mr Jambon in Edinburgh in November 2021.</p> <p>An MOU was discussed during a meeting between Mr Gray and Mr Jambon in a meeting in November 2022.</p> <p>To note that Mr Jambon intends to present the First Minister with a gift from Flanders. The gift would be a book on history and/or a statuette symbolising friendship.</p>
<b>Why</b>	<p>There are long-standing links between the Scottish Government and the Government of Flanders. Flanders has been an important ally to Scotland with strong cooperation in the areas of trade, tourism, culture, education, and health. Most recently, the Flemish government reached out to us with a proposal to use some of their remaining Brexit Reserve Funds [funds given to each EU Member State to mitigate the consequences of the UK leaving the EU] to support a cultural partnership with Scottish artists – this initiative is now being taken forward by Creative Scotland and the Flemish Arts Institute.</p> <p>In February 2023 Flanders opened a Trade and Investment office in Edinburgh.</p>
<b>Who</b>	<p><b>Jan Jambon</b> [<i>pronounced Yan Yambonn</i>], Minister-President of the Government of Flanders</p>
<b>Where</b>	<p>Huis Errera, Brussels</p>
<b>When</b>	<p>27 June 2023, 17.00-17.30</p>
<b>Likely themes</b>	<p>Cooperation between Scotland and Flanders.</p>
<b>Media</b>	<p>Tweet for @ScotGovFM/ScotGovBrussels</p>

<b>Supporting official</b>	TBC
<b>Attached documents</b>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Agenda</li> <li>3. Biography</li> <li>4. Top lines</li> <li>5. Background briefing</li> <li>6. Country/Region Briefing</li> </ol>

## **1. Summary**

- Introductory meeting including the signing of an MOU between SG and Flemish Government covering areas of cooperation under the following overarching headers: Economy, Trade and Transport; Education and Research; Culture, Sports, and Tourism; Environment, Climate and Rural Affairs and Care.
- Jan Jambon signed an MOU with the Welsh First Minister Mark Drakeford last month (May 2023).

## **2. Agenda**

The MOU will be signed in the Errera Hotel, the residence of the Minister-President of Flanders.

Flemish officials are finalising the exact timing of events with their protocol, but we have discussed the following order:

1. A short introductory conversation between the First Minister and the Minister-President.
2. The signing of the MOU.
3. Gift exchange and photos.

### 3. Biography

#### **Jan Jambon**



#### **Minister-President of Flanders, N-VA**

Born April 26<sup>th</sup>, 1960 in Genk, Belgium. Jan Jambon is a Belgian politician of the New Flemish Alliance (N-VA) who has been serving as Minister-President of Flanders (head of the Flemish Government, which is the executive branch of the Flemish Region and Flemish Community\*) since 2019. He is a member of the National Direction and National Board of the N-VA.

He began his career in 1984 as a systems engineer for IBM, subsequently working for the Sociaal Secretariaat (an organization that handles admin, payroll, legal tasks for companies), Mercuri International, Vlaamse Uitgeversmaatschappij (Flemish Publishers Partnership) and the Bank Card Company among others. Jambon holds an executive MBA from the University of Antwerp and a Bachelor's degree in computer science from VUB.

**2019– 2024:** Minister-President of the Government of Flanders, Flemish Minister for Foreign Policy, Culture, Digitization and Facilities, responsible for:

- general government policy
- foreign policy
- culture
- disaster fund
- digitization
- facilities and IT

**2014 - 2019: Deputy Prime Minister and Minister for Security and Internal Affairs** Charles Michel's Cabinet

**2007- 2014: Member of Parliament and Mayor of Brasschat.**

- Mr Gray met with Jan Jambon in November 2022. During this meeting both sides pledged to explore an MOU as well as scope for cultural exchange utilising Flemish funding from the Brexit Adjustment Reserve.
- Mr Robertson met with Jan Jambon in June 2023.
- Jan Jambon is also a regular attendee at Scotland House Brussels events.

#### **4. Top lines**

	<p>* New Flemish Alliance (N-VA) is a Flemish nationalist and conservative party.</p> <p>*Governance in Belgium is split according to communities (Flemish Community, the French Community and the German-speaking Community) and regions (the Flemish Region, the Brussels Capital Region and the Walloon Region). The Government of Flanders consists of nine ministers, who are in office for a 5-year term, which is due to end in 2024.</p>
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• I  
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pleasu  
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meet  
you  
today

during my first international visit as First Minister of Scotland. I know that you met with my predecessor and have met with many of my colleagues. Thank you for the ongoing friendship that you and Flanders extend to Scotland.

- The Scottish Government values its relationship with Flanders and wishes to build on bilateral links. There are a number of similarities with the Flanders economy, and we admire Flanders' influence in international trade.
- I am honoured to be able to sign this MOU today, this MOU will further consolidate our existing cooperation and paves the way for further collaboration.
- I know that your colleagues from the Antwerp and Zeebrugge ports are working hard with our colleagues from Rosyth to finalise the creation of the direct ferry link between Flanders and Scotland. I am keen to see this happen given its economic potential.
- I am delighted that Flanders Investment and Trade opened its office in Edinburgh earlier this year. This will further enhance our economic links in important areas such as engineering and advanced manufacturing, financial & business services, digital technology and food & drink.
- I wish to make a particular point on the record on the importance of celebrating our diverse communities and the importance of migration.
- [You may wish to wish the Minister-President good luck in the forthcoming Belgian elections next year in June 2024]

#### **5. Background briefing – MOU**

- The MOU seeks to maintain and deepen institutional relations between Flanders and Scotland. It aims to deepen collaboration and exchange of knowledge in Economy, Trade and Transport; Education and Research; Culture, Sports, and Tourism; Environment, Climate and Rural Affairs and Care.
- An MOU was discussed during a meeting between Mr Gray and Mr Jambon in a meeting in November 2022.

## **6. Region/country briefing**

### **FLANDERS Region**

**Head of State** – King Philippe

**Belgium Prime Minister** – Alexander De Croo (since Oct 2020)

**Ambassador to UK** – Bruno van der Pluijm (since May 2020)

**UK Ambassador** – Martin Shearman (since June 2019)

**Minister-President of Flanders** – Jan Jambon (since Oct 2019)

### **Key links**

- The UK is Flanders' fourth largest export destination. Belgium is Scotland's 5<sup>th</sup> largest export market.
- VisitScotland and VisitFlanders have an MoU from 2016 – Flanders receives over 900,000 UK tourists each year.
- A Flanders Investment and Trade office opened in Edinburgh in February 2023.

### **Climate**

- Flanders has competency over climate and aspects of energy. Following the invasion of Ukraine, the federal government agreed in March 2022 to extend the lives of two nuclear plants.
- Flanders has measured ambitions on climate, due to fears of damage to its strong industrial base.
- There have been clashes with the federal government. In November 2021, Flemish Minister Demir launched Flanders' climate plan with an increased GHG reduction target of 40% by 2030 up from 35%. Federal climate minister, Zhakia Khattabi, criticised the plan suggesting that Flanders isn't pulling its weight in meeting Belgium's overall target of 47% by 2030 to meet EU targets. Demir also voiced concerns about the impact of more offshore wind off the coast, which the federal government supports.

### **Zeebrugge/Rosyth ferry link**

- SG is committed to securing environmentally and economically sustainable transport options. We are therefore keen to engage with any operator proposing ferry services between Scotland and Zeebrugge.
- The most realistic opportunity for future international ferry links is from proposals initiated and led by the commercial ferry and ports sector. There is scope for Ministerial support in securing new freight routes. There may be an opportunity to consider providing limited financial support through State Aid compliant schemes.
- In October 2021, a delegation from the Port of Zeebrugge visited Edinburgh and discussed ferry links with Rosyth. Scotland and Flanders have a long history of mutually beneficial two-way trade and the Scottish Government are keen to explore how those links can be strengthened. We remain open to the opportunity of new direct routes from Scotland to ports in the EU, especially the economic potential of a ferry connection between Rosyth and Zeebrugge.

## Culture

- Flemish **artists and theatre companies** often travel to various Scottish arts festivals with the support of the Government of Flanders. In recent times, many Flemish productions have attended the Edinburgh Fringe under the guise of 'Big in Belgium'.
- Scottish Government Brussels was approached by the Flemish Government earlier this year concerning spending their remaining Brexit Adjustment Reserve funds on a Flemish-Scottish cultural project. Officials pushed this forward and it is now being taking forward through Creative Scotland

## Flemish Independence

- In June 2023, Flemish Minister-President Jan Jambon (N-VA – Flemish Nationalists) rejected the roadmap that opposition party Vlaams Belang (Flemish Far Right) recently proposed towards Flemish independence after the 2024 elections. Jambon said: "The first condition for an independent Flanders is that you have a majority among the population to do so. But with 20%, that's an adventure you can't embark on."

## Recent Engagement

- **June 2023** – Mr Robertson met with Jan Jambon in Scotland House Brussels. Mr Jambon also attended the Summer Reception.
- **November 2023** – **Mr Gray** met with Jan Jambon in Scotland House Brussels
- **18 April 2023** – Officials met with Gareth Gibson from the Flanders Investment and Trade office in Edinburgh
- **26 Oct 2022** – **Mr Gray** met with a visiting delegation, which included 11 MPs from the Flemish Parliament's Housing and Heritage Committee
- **18 Oct 2022** – Joni Smith meeting with Flemish advisors on trade in the European Parliament
- **23 March 2022** – Scott Wightman met with Flemish General Representative Bart Brosius and Deputy, Natasja Duhem
- **7 March 2022** – Martin Johnson met with the Flemish Ambassador to the EU, Axel Buyse, and his incoming successor Matthias de Moor
- **21-23 Nov 2021** – **FM, Mr Robertson** and **Ms Gilruth** met Flemish Minister-President Jan Jambon on his visit to Scotland accompanying a ports mission from Zeebrugge and Antwerp

## BELGIUM – COUNTRY PROFILE

**Head of State** – King Philippe

**Belgium Prime Minister** – Alexander De Croo (since Oct 2020)

**Foreign Minister** – Hadja Lahbib (since July 2022)

**Ambassador to UK** – Bruno van der Pluijm (since May 2020)

**UK Ambassador** – Martin Shearman (since June 2019)

## Key links

- Scottish exports to Belgium were estimated to be worth £1,250m in 2018, making it Scotland's 5<sup>th</sup> largest export destination.
- Belgium is one of Scotland's priority markets in *A Trading Nation*.

- Existing export strengths include Chemical Sciences, Engineering and Advanced Manufacturing, Financial & Business Services, Technology, Digital and Media and Food & Drink.
- 2,000 Belgian citizens resident in Scotland (ONS 2020).
- VisitScotland and VisitFlanders have an MoU dating to 2015.
- Flanders Investment and Trade re-opened their Edinburgh office in February 2023.
- SG has had a presence in Brussels for over 20 years through Scotland House Brussels.

### **Gateway<sup>2</sup>Britain**

- On 7 June, it was announced that the Flemish and Federal governments have joined forces to launch Gateway<sup>2</sup>Britain, a new digital platform that helps and supports companies that wish to trade with the UK. The UK is Flanders' biggest non-EU trading partner, but Brexit is still making life difficult for companies due to complex procedures and red tape.

### **Ukraine**

- On 17 May, Flemish Prime Minister Alexander De Croo informed the Ukrainian President Volodymyr Zelensky that Belgium cannot supply F-16s but is willing to train Ukrainian pilots. Belgian Defence has stated that Ukraine's requests are being considered as much as possible.

**27.06.2023 - CARL REAICH, NZ AMBASSADOR TO THE EU**

<p><b>Key message</b></p>	<p>Scotland enjoys strong links with New Zealand. I want to continue strengthening and developing our relationship, building on the strong diaspora, economy and cultural relationships already in place. I underlined this in my recent meeting with your High Commissioner in London Mr Gough.</p> <p><b>WeGo</b> – I am delighted to continue our collaboration with the New Zealand government on this shared area of interest in the Wellbeing Economy Government (WEGo).</p> <p><b>Hydrogen</b> – I understand New Zealand has made impressive strides in its cooperation agreement, with e.g. Japan. As the leader of a similar sized country, <b>I would be interested in any reflections you have on regional/continental partnership working in this space?</b></p> <p><b>FTA</b> - The Scottish Government is keen to work with New Zealand for the benefit of both our countries and aware there is a lot of commonality between our concerns for the welfare of our people and the planet.</p>
<p><b>What</b></p>	<p>Bilateral meeting</p>
<p><b>Why</b></p>	<p>To discuss issues such NZ-Scottish cultural links, energy and the wellbeing economy – of which Scotland are key members of the Wellbeing Economy Government (WEGo).</p>
<p><b>Who</b></p>	<p><b>Carl Reaich</b>, New Zealand’s Ambassador the EU and NATO</p>
<p><b>Where</b></p>	<p>SHB</p>
<p><b>When</b></p>	<p>27 June 2023, 17.45 – 18.15</p>
<p><b>Likely themes</b></p>	<p>Scottish-NZ cultural links; and Wellbeing Economy.</p>
<p><b>Media</b></p>	<p>Tweet for @ScotGovFM/ScotGovBrussels</p>
<p><b>Supporting official</b></p>	<p>Martin Johnson, SG EU Director</p>
<p><b>Attached documents</b></p>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Agenda</li> <li>3. Biography</li> <li>4. Suggested discussion points</li> <li>5. Country profile</li> </ol>

## 1. Summary

New Zealand is a non-European country with an excellent reputation for building diplomatic relations in the EU bubble and internationally. As a comparably sized non-member state with historical cultural ties to New Zealand, they are a high value target for relationship building on your first international trip to Brussels (as FM).

Ambassador Reaich is a friend of Scotland House Brussels and has offered generous public praise for Scotland House's work and events, including last year's VIP Burns Supper Event.

## 2. Agenda

No agenda agreed.

## 3. Biography

<p><b>Carl Reaich</b></p> 	<p><b>New Zealand Ambassador to the EU and NATO</b></p> <p>Appointed in January 2020, following over a decade in the ministry of Foreign Affairs and Trade. Alongside this role, he serves as New Zealand's Deputy Permanent Representative to the United Nations and to the World Trade Organisation in Geneva. He has a legal background and continues to act as a legal advisor to the Red Cross. He studied at the University of Canterbury and Victoria University of Wellington.</p>
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## 4. Suggested discussion points

- **Scotland enjoys strong links with New Zealand. I want to continue strengthening and developing our relationship, building on the strong diaspora, economy and cultural relationships already in place. I underlined this in my recent meeting with your High Commissioner in London Mr Gough.**
- **WeGo** – I would be delighted to continue our collaboration with the New Zealand government on this shared area of interest. The Scottish Government is committed to continuing Scotland's global leadership role in the transition to a wellbeing economy as a strategic priority and defining mission.
- **Hydrogen** – Scotland has ambitions to be a major exporter into Europe in the coming decades. I understand New Zealand has made impressive strides in its cooperation agreement, with e.g. Japan. As the leader of a similar sized country, **I would be interested in any reflections you have on regional/continental partnership working in this space?**

- **FTA** - The Scottish Government is keen to work with New Zealand for the benefit of both our countries and aware there is a lot of commonality between our concerns for the welfare of our people and the planet.

## **Background**

- You met the New Zealand High Commissioner on 30 May 2023 and discussed varying topics from climate change, to the FTA, Wellbeing Economy and the Working Holiday Scheme.

## **5. Country profile**

Prime Minister: Chris Hipkins

Former Prime Minister: Jacinda Ardern

Deputy Prime Minister: Grant Robertson

British High Commissioner to New Zealand: Ms Iona Thomas OBE

High Commissioner to the UK: Phil Goff

Population: 5.1 million

Higher Education: 55 NZ students were in higher education in Scotland in academic year 2019/20.

## **We Go**

- As a founding member of Wellbeing Economy Governments (WEGo) network in 2018, alongside New Zealand and Iceland, we recognise the value of building a coalition for change and in sharing best practise and experience internationally.
- Colleagues from the NZ Treasury join our regular online policy labs and seminars, and attended an in-person event in Glasgow last November. Discussions have touched on a wide range of topics including wellbeing measurements and frameworks, child poverty and wellbeing, just transition and green and inclusive recoveries from COVID-19.
- The then First Minister of Scotland, the First Minister of Wales, the Prime Minister of Iceland and the Climate Change Ambassador of New Zealand met at COP26 and reaffirmed their commitment to a wellbeing economy.

## **Climate**

- Following flooding of the Auckland region in January 2023, Climate and Net Zero agenda rose in priority.
- The Ministry of Business, Innovation and Employment (MBIE) have been tasked, as a priority, with developing a National Energy Strategy that will chart a path for the transition towards New Zealand's target of net zero emissions by 2050.
- Approximately 40% of New Zealand's primary energy is from renewable energy sources and approximately 84% of electricity comes from renewable energy, primarily hydropower and geothermal power. 2035 is the target for New Zealand to reach 100% renewable energy.

## **Hydrogen:**

- Green hydrogen identified as a major opportunity for New Zealand – for both its domestic use and substantial export potential.

- New Zealand signed a Memorandum of Cooperation with Japan in 2018, signalling their intention to work together to develop hydrogen technology; while New Zealand and South Korea have also begun collaborating on a study for the large-scale export of green hydrogen.
- Hydrogen is already produced in large quantities from natural gas in Taranaki. The H2 Roadmap forecasts that in the future as the demand for zero emission fuels increases, hydrogen will be produced using renewable electricity to split water, with the only emission being oxygen.

## 27.06.2023 PPA RECEPTION & MEETING WITH NATHALIE LOISEAU MEP

<b>Key messages</b>	<p>Thank you for your ongoing support for Scotland and for meeting me this evening. My Government deeply appreciates your consistent defence of devolution, through calls for Devolved Governments to be respected and included in the TCA.</p> <p>I welcome the activity of the PPA and its work in adding democratic accountability to the implementation of the TCA.</p> <p>Interested to hear your perspective on PPA meetings. I understand that there was discussion of the place of devolved institutions at the last PPA session, but feedback from MSPs that attended the meeting was that it wasn't well attended or organised.</p> <p><b>I would be particularly interested in hearing how you thought this session went and what further cooperation between the PPA and the devolved legislatures may look like.</b></p> <p>I am grateful for your helpful intervention on energy, at the previous PPA meeting. <b>What can the PPA do to drive progress on other key areas, such as Horizon, energy trading cooperation, and on trade matters like seed potatoes?</b></p>
<b>What</b>	<p>This is a bilateral meeting and an opportunity to discuss latest developments regarding EU-UK relations and Scotland's interests and relationship with the European Parliament.</p> <p><b>Further detail on Reception and a speaking note, to be slotted into pack after electronic submission as plans are confirmed.</b></p>
<b>Why</b>	<p>Friend of Scotland and key EU contact as Chair of the EU delegation to the EU-UK Parliamentary Partnership Assembly.</p>
<b>Who</b>	<p><b>Nathalie Loiseau MEP</b></p>
<b>Where</b>	<p>UK Residence, Ducale, VIP Room 1</p>
<b>When</b>	<p>27 June 2023, 18.45 – 19.15</p>
<b>Likely themes</b>	<p>EU-UK Parliamentary Partnership Assembly (PPA)</p>
<b>Media</b>	<p>Tweet for @ScotGovFM/ScotGovBrussels</p>
<b>Supporting official</b>	<p>Martin Johnson, SG EU Director</p>
<b>Attached documents</b>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Agenda</li> <li>3. Biography</li> <li>4. Top lines / background briefing</li> <li>5. Country profile</li> </ol>

### 1. Summary

Nathalie Loiseau is a French Member of the European Parliament Renew Europe group (Liberals). She is the Chair of the EU Delegation to the EU-UK Parliamentary Partnership Assembly (PPA) and a member of the Friends of Scotland Group. Her and her office have fairly regular engagement with SG Ministers and officials.

Although Ms Loiseau will be attending the Friends of Scotland dinner, due to her role as Chair of the EU delegation to the PPA, it will be beneficial for the First Minister to have a 1-1 meeting.

## **2. Agenda**

No agenda agreed.

## **3. Biography**

<p><b>Nathalie Loiseau</b></p> 	<p><b>French MEP, Renaissance</b></p> <p>Member of the Friends of Scotland Group. She and her office have regular engagement with SG Ministers and officials. Strong interest in Scotland and EU relationship, and consequences of the TCA.</p> <p>MEP for French political party Renaissance (Macron’s party). She was elected to the European Parliament in 2019 and sits in the centre-left Renew Europe group in the European Parliament (the Liberals). Loiseau was the French Minister for European Affairs from 21 June 2017 to 27 March 2019.</p> <p>Prior to her political career, Loiseau served as a diplomat for twenty years with postings in Indonesia, Senegal, and Morocco. She also served as the Communications Director at the Embassy of France, Washington, D.C.</p> <p>She is the Chair of the Delegation to the EU-UK Parliamentary Partnership Assembly (PPA). She is also Chair of the European Parliament’s Subcommittee on Security and Defence and Vice-Chair of the Delegation for relations with the NATO Parliamentary Assembly.</p> <p>She is a member of the Committee on Foreign Affairs; the Special Committee on foreign interference in all democratic processes in the EU.</p> <p>Previously met Minister Macpherson (Jan 2020), Minister Gilruth (June 2020), Cabinet Secretary Robertson (July 2021, January 2022 and May 2022), Mr</p>
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#### **4. Top lines / background briefing**

- I would like to thank you for your ongoing support for Scotland. Thank you for meeting me this evening.
- I welcome the activity of the **PPA** and its work in adding democratic accountability to the implementation of the TCA.
- The Scottish Government deeply appreciates Ms Loiseau's consistent defence of devolution, through calls for Devolved Governments to be respected and included in the TCA.
- I would be interested to hear your perspective on how the PPA meetings are going. I understand that there was discussion of the place of devolved institutions at the last PPA session, but feedback from MSPs that attended the meeting was that it wasn't well attended or organised. **I would be particularly interested in hearing how you thought this session went and what further cooperation between the PPA and the devolved legislatures may look like.**
- I think we can both agree that the **Trade and Cooperation Agreement** represents a significant deterioration in our trading relationship with the EU, when compared with the benefits the UK enjoyed as a member state.
- It is our hope that substantive, meaningful progress can be made this autumn, and beyond, on the Scottish interests bound into the TCA:
  - The issues facing Scottish exporters of food and drink products, such as seafood, whisky, and seed potatoes, need to be addressed with the UK giving proper consideration to dynamic alignment with EU rules.
  - We need to see an improved framework for the mutual recognition of professional qualifications, to include key sectors such as lawyers and architects.
  - We need a better solution for touring creative professionals, to overcome visa and permit restrictions. I know that this is also a priority for many in the EU as these restrictions affect touring artists in both directions.
  - Given that we cannot rejoin ERASMUS+ at the current time, we have just announced a pilot programme which will offer staff and learners further opportunities for education mobility exchange.
- [If time allows, you may also wish to welcome the EU's, including the European Parliament's, work to support **Ukraine**, touching on Scotland's work welcoming Ukrainian refugees and supporting Ukraine reconstruction and expressing the need for the UK and the EU to work closer together on this]

## Background

### Parliamentary Partnership Assembly

- The UK-EU Parliamentary Partnership Assembly is the body formed by the UK and European Parliaments that provides a joint role in the formal institutional structures of the post-Brexit UK-EU relationship. It is composed of UK Members of Parliament meeting together with Members of the European Parliament, acting as a forum for parliamentarians to exchange views on the implementation and operation of the Agreement. Nathalie Loiseau MEP is the Chair of the EU Delegation to the PPA. The Rt Hon Sir Oliver Heald KC MP is the UK lead with The Earl of Kinnoull and Hilary Benn MP as vice chairs. The convenor and vice convenor of the CEEAC Committee represent the Scottish Parliament.
- The Parliamentary Partnership Assembly meets next in Brussels on 3-4 July. **On the draft agenda is:**
  - Common effort to support Ukraine and sanctions
  - Mobility of persons
  - Climate and energy
  - Twinning and civil society cooperation

## Ukraine

- Alongside Nathalie Loiseau and other MEPs, David McAllister visited Ukraine in January 2022 as part of a European Parliament delegation and fact-finding mission

## 5. Country profile

### FRANCE COUNTRY PROFILE

**Population:** 67.1m

**Head of State:** Emmanuel Macron (since May 2017, Party: Renaissance (previously La République En Marche (LREM))

**Head of Government:** Élisabeth Borne

**Minister for Foreign Affairs:** Catherine Colonna (former Ambassador to UK)

**Minister for European Affairs:** Laurence Boone

**Ambassador to UK:** Hélène Duchêne

**Ambassador to France:** Menna Rawlings

**Consul General in Edinburgh:** Laurence Païs (due to leave Summer 2023)

### Hot topics

#### Pensions

- The biggest issue recently has been pension reform. Macron's government is pushing through a suite of changes, most notably at changing the age of minimum retirement from 62 to 64.

- Various strikes have been held across the country this year, including on 23 March where unions claimed that 3.5 million protestors took to the streets. Demonstrations often became violent, with protestors targeting public buildings in several cities across the country, notably Nantes, Rennes and Bordeaux, where the city hall's door was set on fire.
- Nevertheless, the Government has remained committed to seeing the legislation through parliament by using constitutional powers to push through the legislation without the need of a vote in the National Assembly.
- On the latest day of strikes, 6 June, the French Interior Ministry said 281,000 people had marched across the country. This was the lowest figure published by the ministry since protests began.

### **Franco-British Summit**

- On 10 March, PM Sunak and six UK Cabinet Ministers were hosted by Macron in Paris for the 36th Franco-British Summit at the Elysée Palace, the first bilateral summit in five years.
- The Summit concluded with the signing of a 15-page declaration which covered many aspects of the bilateral relationship, including eight broad themes: Ukraine; European Political Community; Defence and security; Fight against organised crime, Cyber and hybrid threats and terrorism; Foreign policy and global issues; Energy and decarbonisation; Illegal migration; and Social and economic ties.

## 27.06.2023 - FRIENDS OF SCOTLAND DINNER

<b>Key message</b>	<p>I wish to thank you all and underline how important this group is for Scotland. Your friendship and support have been very welcome in this difficult pre- and post-Brexit period.</p> <p>I want to emphasise the following:</p> <p>Scotland remains a European nation and shares the fundamental values of the EU.</p> <p>Scotland's desire is to continue to work very closely with EU partners despite Brexit.</p> <p>Scotland has much to offer the EU, including on the big strategic challenges the EU faces, for example, firstly, on renewable energy and green hydrogen, secondly, our science higher education and research sector, thirdly our experience on the well-being economy.</p> <p>Given that we cannot rejoin ERASMUS+ at the current time, we have just announced a pilot programme which will offer staff and learners further opportunities for education mobility exchange.</p>
<b>What</b>	A short speech before the dinner followed by discussion.
<b>Why</b>	This an opportunity to thank the members of the Friends of Scotland group and to ensure their continued support.
<b>Who</b>	<p>MEPs:</p> <p><b>Udo Bullmann</b> (German, socialist group);</p> <p><b>Terry Reintke</b> (German, green group);</p> <p><b>Danuta Hübner</b> (Polish, centre right);</p> <p><b>Nathalie Loiseau</b> (French, liberals group);</p> <p><b>Zeljana Zovko</b> (Croatian, centre right);</p> <p><b>Frances Fitzgerald</b> (Irish, centre right);</p> <p><b>Diana Riba I Giner</b> (Spanish, Catalan, European lefts);</p> <p><b>Urmas Paet</b> (Estonia, liberals).</p>
<b>Where</b>	Park Side Brasserie
<b>When</b>	Tuesday 27 June 2023, 20.0.00
<b>Likely themes</b>	EU-UK relationship; and Scotland's priorities (domestic and international).
<b>Media</b>	Tweet for @ScotGovFM/ScotGovBrussels.
<b>Supporting official</b>	Martin Johnson, EUD Director
<b>Attached documents</b>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Speech</li> <li>3. Agenda</li> <li>4. Biographies</li> </ol>

## **1. Summary**

- The Friends of Scotland group is as an informal network of MEPs representing different political groups of the European Parliament with the objective of helping to facilitate dialogue on areas of mutual interest, and to ensure as close a relationship as possible between Scotland and the EU.
- The group is neutral with regards to Scotland's constitutional status within the UK and the UK's future relationship with the EU.
- The aims of the group are:
  - promoting stronger economic, social and cultural relations between the EU and Scotland
  - encouraging cooperation and understanding in key areas that relate to both the EU and Scotland such as climate change, the green deal, wellbeing economy, international development/SDGs, the Arctic, etc. and the future EU-UK relationship
  - helping to maintain links between elected Members of the Scottish Parliament (MSPs) and MEPs
  - facilitating links between the EU and Scottish Civil Society
- The Scottish Government's Brussels Office provides a secretariat function to support the running of the group.
- This event provides an opportunity for you to thank the group for their enduring support and build new relations with a group of influential MEPs.

## **2. Speech**

Provided separately by FM Speechwriter.

## **3. Agenda**

- Member of European Parliament (MEP) Udo Bullmann (DE, Socialist and Democrat group) to welcome First Minister and MEPs for 3-4 minutes
- MEP Terry Reintke (DE, Greens Group) to speak for 3-4 minutes
- First Minister to speak for 5-7 minutes
- Martin Johnson EUD to give the floor to other MEPs who are free to ask questions and make comments.

## 4. Biographies

### **Terry (Theresa) Reintke**



### **Terry REINTKE, Co-Chair of Friends of Scotland Group**

Vice-Chair of the Greens/EFA Group, German. Member of the EU-UK Parliamentary Partnership Assembly and a founding member of the Friends of Scotland MEPs group. In 2021, Reintke initiated a letter to Commission President Ursula von der Leyen and Education Commissioner Mariya Gabriel calling for Scotland and Wales' right to rejoin the European Union's Erasmus+ mobility scheme.

Co-president of the Greens/EFA group in the European Parliament [EP] and the group's coordinator for the Committee on Civil Liberties, Justice and Home Affairs. She is a founder and co-chair of the Friends of Scotland group.

Since 2021, Reintke has been part of the Parliament's delegation to the EU-UK Parliamentary Assembly, which provides parliamentary oversight over the implementation of the EU-UK Trade and Cooperation Agreement.

In 2021, she joined forces with MEPs David McAllister and Radoslaw Sikorski to initiate a letter signed by 145 members of the EP to Commission President Ursula von der Leyen and Education Commissioner Mariya Gabriel in calling for Scotland and Wales to be able to rejoin the European Union's Erasmus+ mobility scheme.

She has a strong affiliation with Scotland having spent time studying political science at the University of Edinburgh through an Erasmus exchange in 2014. She has often worn Tartan as a statement in European Parliament plenary sessions and was one of the initiators of the "leave a light on for Scotland" campaign.

Ms Reintke had been very keen to visit Glasgow for COP26 in November 2021. Her trip was cancelled due to post-election German coalition talks she was involved in.

Ms Reintke has often met with Scottish Government officials and Ministers. She met with Cabinet Secretary Robertson and Ms McKelvie in Edinburgh in June 2022.

## Udo Bullman



### **German MEP, Socialist and Democrats**

Co-Chair of Friends of Scotland Group. German member of Socialist and Democrats group (centre left). Member of Development, International Trade and Budget Committees. Frequent engagement with SG officials.

Strong interest in Scotland and EU relationship.  
Other: EU vaccines strategy; EU trade policy, EU-Africa Strategy, climate and ecological emergencies, Sustainable Development Goals, EU budgets, EU social policy



In 1999, Udo Bullmann was elected as a Member of the European Parliament, where he joined the Socialists & Democrats (S&D) group. Since his election, Udo served on the economic and monetary affairs (ECON) committee. In this work he has focused in particular on making financial markets fairer and more transparent, on fighting the misguided dogma of austerity policies, and on mobilising strategic investments in order to create sustainable growth and quality jobs in Europe.

In 2019, Udo became member of the European Parliament's Committee on Development as S&D coordinator. He also is member of the International Trade committee and substitute in the Budget committee.

From 2012 to 2017, Udo Bullmann led the German SPD delegation in the S&D Group until his election as first Vice-President of the S&D Group. As Vice-President responsible for economic and social model policy, Udo worked with fellow Group Vice-Presidents to implement a new approach to policy-making.

This approach, which builds on the United Nations' 2030 Agenda and its Sustainable Development Goals, focusses on extensive, cross-committee policy coordination and engagement with civil society.

Before becoming an MEP, the issue of European integration lay at the heart of Udo Bullmann's political and professional identity. A political scientist by training, he went on to earn a PhD and later on a Jean-Monet Professorship in European Studies at the University of Giessen. As part of his academic career, Udo also served as a visiting research fellow at Strathclyde University Glasgow.

	<p>In January 2021, Mr Bullmann co-signed a letter (organised by Terri Reintke MEP) to President von der Leyen regarding Erasmus and the possibility of Scotland and Wales continuing to participate in aspects of the program.</p>
<p><b>Nathalie Loiseau</b></p> 	<p><b>French MEP, Renaissance and Renew Europe</b>  Member of the Friends of Scotland Group. She and her office have regular engagement with SG Ministers and officials. Strong interest in Scotland and EU relationship, and consequences of the TCA.</p> <p>MEP for French political party Renaissance (Macron’s party). She was elected to the European Parliament in 2019 and sits in the centre-left Renew Europe group in the European Parliament (the Liberals). Loiseau was the French Minister for European Affairs from 21 June 2017 to 27 March 2019.</p> <p>Prior to her political career, Loiseau served as a diplomat for twenty years with postings in Indonesia, Senegal, and Morocco. She also served as the Communications Director at the Embassy of France, Washington, D.C.</p> <p>She is the Chair of the Delegation to the EU-UK Parliamentary Partnership Assembly (PPA). She is also Chair of the European Parliament’s Subcommittee on Security and Defence and Vice-Chair of the Delegation for relations with the NATO Parliamentary Assembly.</p> <p>She is a member of the Committee on Foreign Affairs; the Special Committee on foreign interference in all democratic processes in the EU.</p> <p>Previously met Minister Macpherson (Jan 2020), Minister Gilruth (June 2020), Cabinet Secretary Robertson (July 2021, January 2022 and May 2022), Mr Gray (November 2022).</p>
<p><b>Danuta Hübner</b></p> 	<p>Received her MSc in Economics, SGH Warsaw School of Economics (Central School of Planning and Statistics) in 1971, her PhD in economics, SGH Warsaw School of Economics 1974 Visiting scholar at the Centre for European Studies at the University of Sussex in 1974, and her post-doctoral degree in international trade relations, SGH Warsaw School of Economics in 1980. Hübner was a 1988–1990 Fulbright scholar at the University of California, Berkeley and received an honorary Degree in Laws</p>

of Sussex University in 2005.

From 1 May 2004, Hübner was a Member of the European Commission. At the time of her nomination by Prime Minister of Poland Leszek Miller, her main competitor was fellow Convention member and former Prime Minister Józef Oleksy.

In November 2004, Hübner was appointed Commissioner for Regional Policy in the European Commission led by President José Manuel Barroso. In this capacity, she represented the Commission at the funeral of Pope John Paul II in 2005.

Between 2006 and 2007, Hübner served as member of the Amato Group, a group of high-level European politicians unofficially working on rewriting the Treaty establishing a Constitution for Europe into what became known as the Treaty of Lisbon.

Hubner has been an MEP since 2009. She is the co-author of TCA report and has had frequent contact with Scottish Government officials and Ministers. Met previously during Cab Sec visit on 31 May 2022.

**Diana Riba I Giner**





**Spanish MEP, Greens/European Free Alliance**

From Catalonia, Spain. Besides being a Member of the Committee on Culture and Education, she is the Vice-Chair of the Committee of Inquiry to investigate the use of Pegasus and equivalent surveillance spyware a, a Member of the Civil Liberties, Justice and Home Affairs Committee, the Women’s Rights and Gender Equality Committee.

Riba I Giner sits with the Greens/European Free Alliance Group (the same group the SNP MEPs sat in), and with the Esquerra Republicana de Catalunya (Spain).

She has been the rapporteur for the report on identifying gender-based violence as a new area of crime listed in the TFUE and a shadow rapporteur for the report on the implementation of the revised Audiovisual Media Services Directive. She is a shadow rapporteur for the report on the European Media Freedom Act.

Riba is the partner of jailed Catalan Minister Raul Romeva, with whom she has two children.

	<p>Riba I Giner met with Scottish Government officials in Strasbourg in April 2023. She was also one of the seven MEPs from the Culture and Education Committee visiting Edinburgh in June 2023. The delegation met with Cabinet Secretary Robertson and Ms McKelvie.</p>
<p><b>Frances Fitzgerald</b></p> 	<p><b>Irish MEP for Fine Gael, European People’s Party</b></p> <p>She previously served as Tánaiste from 2016 to 2017, Minister for Business, Enterprise and Innovation from June 2017 to November 2017, Minister for Justice and Equality from 2014 to 2016, Minister for Children and Youth Affairs from 2011 to 2014 and Leader of Fine Gael in the Seanad from 2007 to 2011. She served as a Teachta Dála (TD) from 1992 to 2002 and 2011 to 2019. She was also a Senator for the Labour Panel from 2007 to 2011.</p> <p>She was the second Fine Gael politician to ever hold the office of Tánaiste, after Peter Barry in 1987.</p> <p>The former First Minister met with Ms Fitzgerald when she was Tánaiste (Deputy Prime Minister of Ireland) in November 2016</p>
<p><b>Zeljana Zovko</b></p> 	<p><b>Croatian MEP for the European People’s Party</b></p> <p>Zeljana Zovko is a Herzegovinian Croat diplomat and politician serving in the European Parliament since 2016.</p> <p>She was the resident ambassador of Bosnia and Herzegovina to France from April 2004 to 2008. She then moved on as Bosnian ambassador to Spain between 2008 and December 2011.</p> <p>In 2012 until March 2015, Zovko served as foreign affairs advisor for the Chairman of the Council of Ministers of Bosnia and Herzegovina Vjekoslav Bevanda. In the same period, she also served as international secretary for Bosnia and Herzegovina of Croatia's HDZ party. From August 2015 till November 2016 Zovko served as ambassador of Bosnia and Herzegovina to Italy.</p> <p>In 2016, Zovko took up a place in the European Parliament as MEP for Croatia. Her switch of loyalties from the Bosnian diplomatic service to representing Croatian voters in the European Parliament raised criticisms in the press.</p> <p>Zovko was elected at the 2019 elections, and was appointed vice-chair and EPP vice-coordinator of the Committee on Foreign Affairs. She is Vice-Chair of the</p>

	<p>parliamentary delegation for relations with Bosnia and Herzegovina, and Kosovo.</p> <p>In October 2020, she was elected as one of the vice chairs of the Foreign Affairs Committee. In October 2021, she was elected as one of the vice presidents of the EPP Group in the European Parliament.</p>
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#### **4. Post-speech discussion points (for during the dinner)**

- The vast majority of MEPs that we have engaged with, Friends of Scotland members and otherwise, have expressed their deep regret at the loss of Scotland from the Erasmus+ programme. MEPs will be pleased to hear that Scotland are looking at a youth mobility scheme. Terry Reintke did her Erasmus in Edinburgh.
- The MEPs will be keen to hear about our announcement for an ERASMUS+ alternative pilot which seeks to offer staff and learners further opportunities for education mobility exchange and is open to supporting some inward mobility costs.

#### **5. Recent engagement**

Recent engagement with the Friends of Scotland group has focused on bilateral meetings, examples of these meetings over the last eight months include:

June 2023 – Mr Robertson met with Udo Bullman MEP to discuss EU-Scotland relations

May 2023 – Mr Robertson met with Urmas Paet MEP to discuss Arctic relations

December 2022 – Scotland House Brussels officials met with Hannes Heide MEP to discuss cultural cooperation between his home Bad Ischl (Austria) and Scotland

November 2022 - Mr Gray met with Nathalie Loiseau MEP to discuss EU-UK relations and her view on increasing the role of Scottish MSPs in the EU-UK Parliamentary Partnership Assembly

**To note:** following the breaking of the scandal in the European Parliament dubbed "Qatargate", where several MEPs were accused of accepting money from the Qatari Government, activities of the Friends of Scotland group were put on pause for several months. This was due to European Parliament President Roberta Metsola announcing a "ban" on informal friendship groups within the European Parliament. Scotland House Brussels officials worked with Metsola's office as well as with Friends of Scotland co-chairs Udo Bullmann MEP and Terry Reintke MEP to determine what this meant for Friends of Scotland and to clarify that it is an entirely transparent group. In a meeting with Mr Robertson in early June 2023, Udo Bullmann MEP said that Metsola had held up the Friends of Scotland group as an example of the type of friendship group MEPs should be involved in.

Examples of previous engagement with the Friends of Scotland group:

- November 2021 – 2 Friends of Scotland MEPs present at COP26
- July 2021 - FoS plenary Roundtable with Cabinet Secretary Robertson
- 3 March 2021 – First Friends of Scotland plenary session
- January 2021 – Udo Bullmann co-signed a letter (organised by Terri Reintke MEP) to President von der Leyen regarding Erasmus and the possibility of Scotland and Wales continuing to participate in aspects of the programme
- July 2020 – Scotland House Brussels Webinar - "A greener, more resilient and more inclusive recovery beyond the COVID-19 crisis" with former Scotland House Brussels Head, Mike Russell and Udo Bullmann MEP

- January 2020 – Inaugural Friends of Scotland meeting with SG Minister Ben Macpherson and MEPs.

**The UK-EU Parliamentary Partnership Assembly (PPA)** is the body formed by the UK and European Parliaments that provides a joint role in the formal institutional structures of the post-Brexit UK-EU relationship. It is composed of UK Members of Parliament meeting together with Members of the European Parliament, acting as a forum for parliamentarians to exchange views on the implementation and operation of the Agreement. **Nathalie Loiseau** is the Chair of the European Parliament Delegation to the PPA. The Rt Hon Sir Oliver Heald KC MP is the UK lead with The Earl of Kinnoull and Hilary Benn MP as vice chairs. The convenor and vice convenor of the CEEAC Committee represent the Scottish Parliament.

The Parliamentary Partnership Assembly meets next in Brussels on 3-4 July. We are planning significant Scottish input and officials are actively considering how best to support Scottish representatives and help drive progress.

## 8.6.2023 - TOM HANNEY, IRISH AMBASSADOR TO THE EU

<b>Key messages</b>	<p>Scotland deeply values its ties to close friend and partner, the Republic of Ireland. Engagement with Ireland is always valuable, as both a key member of the European Union and our closest EU neighbour.</p> <p>Useful to hear the your perspective on prominent EU topics and on as well the from the General Affairs Council (26 and 27 June) and the upcoming European Council (29-30 June).</p> <p>Scotland and Ireland are fostering a promising level of cooperation on energy and FM is keen to see this develop.</p> <p>In advance of your retirement, I'd like to thank you personally for the friendship and support you've shown Scotland.</p> <p>Noting too amongst your previous roles you were Ambassador to Austria and to the International Organisations based in Vienna from 2017 to 2020, and I know you discussed your links to Austria with Angus Robertson our Cabinet Secretary for Constitution, External Affairs and Culture.</p>
<b>What</b>	Bilateral meeting [Gift tbc – Tom Hanney is retiring]
<b>Why</b>	To discuss matters of mutual importance, such as the dual green and digital transition – with a focus on hydrogen and renewables – as well as business and economic development with an Ambassador of an EU member state of key strategic interest to Scotland.
<b>Who</b>	Tom Hanney, Irish Ambassador to the EU
<b>Where</b>	SHB
<b>When</b>	28 June 2023, 08.30-09.15
<b>Likely themes</b>	UK-EU relations; and Energy.
<b>Media</b>	Tweet for @ScotGovFM/ScotGovBrussels
<b>Supporting official</b>	Martin Johnson, SG EU Director
<b>Attached documents</b>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Agenda</li> <li>3. Biography</li> <li>4. Top lines</li> <li>5. Ireland Scotland Joint Bilateral Review background</li> <li>6. Rockall</li> <li>7. Country profile</li> </ol>

### 1. Summary

A meeting with a key EU Ambassador, representing an EU member state close to Scotland

## 2. Agenda

No formal agenda agreed – energy and economic development mentioned in meeting invite.

## 3. Biography

<p><b>Tom Hanney</b></p> 	<p><b>Ireland's Ambassador to the EU</b></p> <p>Ambassador Hanney has been in post since April 2020. Prior to his current role, he served as Ambassador of Ireland to Austria and Permanent Representative to the International Organisations in Vienna for three years and as Deputy Permanent Representative of Ireland in Brussels, from September 2011 to December 2016.</p> <p>Cabinet Secretary Angus Robertson met with Ambassador Hanney during his visit to Brussels in June 2022. The discussed sanctions against Russia, the Northern Ireland protocol and Scotland's hydrogen offer to Europe.</p> <p>The Lord Advocate met Ambassador Hanney in November 2022 and discussed UK-EU relations, particularly the difficulties around the Northern Ireland Protocol.</p>
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## 4. Top lines

### **UK / EU relations**

- I am aware that developments surrounding the Northern Ireland Protocol has created a degree of disruption in dealings with the EU institutions over the last year; but that there is cautious optimism for improved relations following the Windsor Framework agreement. **I am interested in your current assessment of the UK-EU relationship?**
- **What do you think the scope for development of the TCA is?** Particularly as we approach the review of the TCA, you will be aware of the key Scottish interests at play.

### **Big picture EU themes and developments**

- The EU has changed significantly since the UK left, in part due to that departure, but also due to the changing world. Noting the war in Ukraine, the climate emergency and geopolitical challenges around the US-China relationship, I'd appreciate your reflections on the EU's direction of travel.

## **Ireland and Scotland**

- Ireland is a priority country for Scotland to engage with, and I'm delighted to see Scotland and Ireland's relationship go from strength to strength through delivery of the Bilateral Review.
- I know progress to date has been strong, and that the Tánaiste and Cabinet Secretary for External Affairs will soon meet to discuss where we should prioritise collaboration in the future.

## **Net Zero**

- There is huge potential for Ireland and Scotland to work more closely together on the transition to net zero.
- I know that discussions are underway on this, and it would be of huge value for Scotland and Ireland to work in partnership as we both scale offshore wind, create hydrogen export opportunities, develop wave and tidal technologies, and share learning on residential retrofit programmes.

## **Education**

- Further, I am pleased to hear that work is progressing in developing a joint degree programme to encourage student mobility. It is important that this work continues at pace so we can establish a joint degree as soon as possible.

## **Child Poverty**

- Since becoming First Minister, I have set a critical mission for Scotland in advancing equality through tackling poverty, particularly child poverty.
- I know that this is a priority for the Taoiseach, and I believe there is much for both Governments to learn from another on this.

## **5. Ireland Scotland Joint Bilateral Review**

- The Review commits to delivering on recommendations for increased collaboration and cooperation on diplomacy, business and the economy, diaspora, culture, research and education, and rural and island communities.
- At the time of the last ministerial review in March 2022, strong progress had been made on almost 60% of the Review's 41 recommendations.
- Cabinet Secretary Robertson is due to meet with the Tánaiste and Minister for Foreign Affairs (Micheál Martin) in July for the next ministerial review to judge progress over the past year and agree areas for future collaboration.
- Regular engagement is underway at an official level on a wide range of policy issues.
- This includes sharing learning on providing accommodation to Ukrainian refugees with officials visiting Ireland in May to look at modular housing being built.

- Discussions are taking place on marine spatial planning as there is a strong appetite in Ireland to learn from Scotland on the designation of marine areas for offshore wind.
- Early conversations are underway on hydrogen. Ireland is expected to publish its hydrogen strategy in June 2023 and we expect future engagement to focus on infrastructure which would allow Ireland and Scotland to export hydrogen to mainland Europe.
- An agreement in principle has been reached at an official level on how an undergraduate joint degree programme between Scotland and Ireland might work.
- While it is important that agreement is reached at an official level before recommendations are put to Ministers, it is important that both Governments continue to develop proposals quickly as there is high demand from Scottish and Irish institutions for increased student mobility.
- Scottish Government child poverty policy officials are now in contact with the Irish Government's new Child Poverty Unit to discuss approaches in addressing child poverty.
- Officials are looking to build on engagement across four nations in the UK on child poverty by including Ireland in this. This is particularly considering that the next BIC in November is expected to focus on child poverty.
- Scottish Government officials are in close contact with the authorities managing the PEACE + programme on how Scottish stakeholders might help in delivery and retain our close links with both NI and RoI counterparts.

## **6. Rockall**

### Key messages

- We were deeply disappointed that we were not able to get the Fisheries Research Programme over the line in time for this year's monkfish survey.
- The UK Government's unhelpful intervention disrupted the careful work we have been taking forward with the Irish Government on this complex and sensitive matter.
- I know that Scottish and Irish officials continue to engage intensively to seek agreement for future years, and very much hope that this will prove successful.

### Background

- The research proposal would be of benefit to Scotland, Ireland and the UK. There is currently a lack of information about both Monkfish and Squid stocks. As a result of the lack data regarding monkfish, the total allowable catch has been reduced to the detriment of the Scottish fishing industry. The collaboration with Ireland would have helped enormously in plugging this data gap is potentially worth several million pounds to the UK
- While the Squid fishery is not currently of interest to the Scottish industry, there is a lack of knowledge about the management of this highly mobile stock.
- This issue is extremely important to the Irish Government. It is not just about fisheries - even though in those terms alone the emerging agreement is a win-win.
- It is very much about wider relations, putting to bed a dispute which, given its strong political resonance in Ireland, has featured prominently in our bilateral relations and

provided an tangible opportunity for the UK Government to constructively support Scottish interests within the terms of the TCA.

- The Scottish Government's position on Rockall is clear, consistent, and in line with long-established norms of international law.
- UK territorial waters around Rockall are established in line with the terms of the UN Convention on the Law of the Sea, to which the UK and Republic of Ireland are parties.
- The UK-EU Trade and Cooperation Agreement (TCA) makes clear that territorial waters established by the UK fall within the scope of the agreement.
- No Irish vessels would be able to fish at Rockall without changes to their licences, issued by UKG on behalf of Scottish Government. And their catch would be recorded and monitored throughout.

#### Sovereignty issues

- This research proposal was clear that sovereignty over Rockall was not changed and the wording makes clear that it was entirely without prejudice to this legal position.
- Our position has always been that there is no ambiguity under international law as to the status of Rockall as an uninhabited island within the UK Exclusive Economic Zone, and the UK's corresponding right to establish territorial waters around it.

## **7. Ireland – Country profile**

Head of State – President Michael D Higgins

Prime Minister – Taoiseach Leo Varadkar (FG) (since December 2022)

Government – Fine Gael, Fianna Fail and Green coalition

Foreign Minister and Tánaiste (Deputy Prime Minister) – Micheál Martin (FF)

Ambassador to UK – Martin Fraser (since September 2022)

UK Ambassador – Paul Johnston (since September 2020)

Consul General – Jerry O'Donovan – start date February 2023

Residents in UK (+ residents in Scotland) – 395,000 (22,952: Census, 2011)

#### Key Links with Ireland

- Irish citizens one of Scotland's largest diasporas, almost 23,000 living here (2011 census).
- We have fifteen Global Scots based in Ireland and are proactively recruiting more.
- Ireland is Scotland's closest international trading partner and 6th largest export market with exports worth £1.24 bn going to Ireland in 2018. This represents 3.6% of Scotland's total international exports (Source: Export Statistics Scotland).
- There are 120 Irish investors in the Scottish economy, with 265 local units employing 5380, with a turnover in Scotland of £2.97 billion.

The top 5 Scottish export sectors to Ireland are: Food and drink, Technology, Digital and Media, Wholesale and Retail, Life and Chemical Sciences, Engineering and Advanced Manufacturing.

## 28.06.2023 - DAVID MCALLISTER MEP

<b>Key messages</b>	<p>Delighted to meet with a long-term partner and friend to Scotland, and to have you as part of the Friends of Scotland group in the European Parliament.</p> <p>I am interested in your current assessment of the UK-EU relationship, given your role as the European Parliament's UK Contact Group for Relations between the EU and the UK</p> <p>In the wake of the Qatargate scandal, President Metsola had indicated a willingness to ban or limit friendship groups. My officials have been in touch with the group's co-chairs to discuss the latest at various points since this news;</p> <p>The position seems to be unclear at this stage. Are you aware of any developments regarding the future status of EP friendship groups?</p> <p>I'd welcome your reflections on the EU's support for Ukraine, and what the war means for the EU's position in the world.</p>
<b>What</b>	Bilateral meeting.
<b>Why</b>	<p>Introductory meeting with a key member of the European Parliament and strong, long-term partner to Scotland within the European Union.</p> <p>He has a portfolio role in EU-UK relations, so this is a good opportunity to maintain a valuable and trusted relationship for the Scottish Government.</p>
<b>Who</b>	<b>David McAllister MEP</b>
<b>Where</b>	European Parliament, Office of David McAllister.
<b>When</b>	Wednesday 28 June, 10.15-11.00
<b>Likely themes</b>	EU-UK relations; and Friends of Scotland Group
<b>Media</b>	Tweet for @ScotGovFM/ScotGovBrussels
<b>Supporting official</b>	Martin Johnson, Director, SG EU Directorate <b>[redacted]</b> , SG EUO Policy Officer, EP Relations
<b>Attached documents</b>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Agenda (agreed discussion points)</li> <li>3. Biography</li> <li>4. Top lines</li> <li>5. Country profile</li> </ol>

### 1. Summary

David McAllister is a senior MEP and German politician who has a Scottish family background and is a long-term key partner to Scotland within the European Parliament. He has a portfolio role in EU-UK relations, so this is a good opportunity to maintain a valuable and trusted relationship for the Scottish Government.

## **2. Agenda**

No agenda agreed.

## **3. Biography**

### **David McAllister**



David James McAllister has been a member of the European Parliament since 2014. He is a member of the Christian Democratic Union, part of the European People's Party. He is the current Vice President of the European People's Party and he is also Vice Chairman of the International Democrat Union. He was appointed Chair of the European Parliament Foreign Affairs Committee in February 2017

In July 2010 McAllister was elected Minister-President of the state of Lower Saxony, succeeding Christian Wulff, who resigned following his election as President of Germany. Until his election defeat on 19 February 2013, he headed a coalition government with the liberal FDP, the Cabinet McAllister. In the 2014 European elections, McAllister was elected a Member of the European Parliament as the CDU's top candidate in Lower Saxony.

A lawyer by profession, he served as chairman of the CDU parliamentary group in the Lower Saxon Parliament from 2003 to 2010 and was elected chairman of the state party in 2008. In November 2016 he left the chairman post, and announced that he sees his political future in Europe. McAllister holds both German and British citizenship.

In 2021, McAllister joined forces with MEPs Terry Reintke and Radosław Sikorski in initiating a letter of 145 member of the European Parliament to Commission President Ursula von der Leyen and Education Commissioner Mariya Gabriel in which they called for allowing Scotland and Wales to rejoin the European Union's Erasmus+ mobility scheme.

McAllister has an honorary doctorate from the University of Edinburgh.

	<p>Chair of the External Affairs subcommittee. Member of Delegation to EU-UK Parliamentary Partnership Assembly and of the NATO delegation, Member of Friends of Scotland Group. Frequent contact with Scottish Government officials and Ministers. He met with Cabinet Secretary Robertson on 30 May 2023.</p> <p>Strong interest in Scotland and EU relationship, and consequences of the TCA. McAllister is shadow rapporteur of the 2020 EP recommendations on the negotiations for a new partnership with the UK and Northern Ireland.</p> <p>McAllister is the chair of the EP's UK Contact Group for Relations between the EU and the UK.</p>
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#### **4. Top lines**

##### **Friends of Scotland group**

- As you know, we are delighted to have you as part of the Friends of Scotland group in the European Parliament.
- In the wake of the Qatargate scandal, President Metsola had indicated a willingness to ban or limit friendship groups. My officials have been in touch with the group's co-chairs to discuss the latest at various points since this news..
- The position seems to be unclear at this stage. ***Are you aware of any developments regarding the future status of EP friendship groups?***

##### **Scotland-UK / EU relations**

- ***I am interested in your current assessment of the UK-EU relationship***, given your role as the European Parliament's UK Contact Group for Relations between the EU and the UK?

##### **Ukraine**

- I welcome the EU's, particularly the European Parliament's, work to support Ukraine, I would like to see the UK and the EU work closer together to combine efforts and resources.
- I am proud of how Scotland has responded to this humanitarian crisis and grateful to all of those who have opened up their home to displaced Ukrainians fleeing the war.
- Scotland stands for democracy, human rights and the rule of law at home and abroad. Scotland offers its unqualified support for Ukrainian sovereignty, independence and territorial integrity.
- Providing support and sanctuary for displaced people from Ukraine will continue to be a priority for the Scottish Government as people in Scotland would expect.
- Since the war against Ukraine began, over 24,000 people sponsored by an individual in Scotland or the Scottish Government have arrived in the UK.
- Over 19,400 of these arrivals are through the Scottish Government's successful Super Sponsor Scheme. The Scottish Government has joined the Committee of the Regions

Alliance for the Reconstruction of Ukraine and our Cabinet Secretary met with the Ukrainian Ambassador to the EU, Ambassador Chentsov, a few weeks ago to discuss how Scotland can support Ukrainian reconstruction. **Do you have any views on how the Scotland and the UK can work with the EU on Ukrainian reconstruction?**

### **Ukraine**

- Alongside Nathalie Loiseau and other MEPs, David McAllister visited Ukraine in January 2022 as part of a European Parliament delegation and fact-finding mission

### **Retained EU law**

- The Scottish Parliament voted on 23 February to withhold legislative consent for the Bill.
- We have stated repeatedly that the Retained EU Law Bill is damaging legislation that needlessly puts at risk vital protections gained by the people of Scotland over almost 50 years.
- Along with the Welsh Government, we have repeatedly asked for a statutory consent requirement to be put on the face of the Retained EU Law Bill.

### **EU Alignment**

- Our policy of maintaining EU alignment, including via the powers provided by the EU Continuity Act 2021, ensures Scottish Ministers can protect the world-class standards that Scotland shares with the EU.
- We will continue to align to maintain and advance standards – and do so using the most relevant legislative powers. An example being the recent regulations made by the Scottish Government to incorporate WHO standards for drinking water.

## 5. Country profile

### Germany Country Brief

**Head of State (Federal President)** – Frank-Walter Steinmeier (since March 2017) (SPD)

**Chancellor** – Olaf Scholz (SPD)

**Government** – Federal Parliamentary Republic

**Foreign Minister** – Annalena Baerbock (Greens)

**Ambassador to UK** – Miguel Berger (since May 2021)

**UK Ambassador** – Jill Gallard (since Nov 2020)

**Consul-General in Edinburgh** – Dr Andreas Zimmer (since May 2021)

**Residents in Scotland** – 31,000 (2021 ONS estimate)

### **Länder elections in 2023**

- **12 February** – Berlin [SPD, GRN, Left]
- **14 May** – Bremen [CDU]
- **8 October** – Hesse [CDU, GRN], Bavaria [CSU, FW]



### **Recent engagement with Germany**

- **2 May 2023** – **Mr Robertson and Mr Dey** met with education secretary Dr Jens Brandenburg, with Mr Dey chairing a roundtable with education stakeholders
- **18-19 April 2023** – **First Minister, Mr Robertson and Mr Dey** met with Minister-President of RLP Malu Dreyer during a delegation visit to Scotland on education and research collaboration
- **14 March 2023** – **Mr Matheson** met with German Hydrogen Commissioner Til Mansmann
- **23 Feb 2023** – **Mr Matheson** met with Minister Mona Neubaur and North Rhine Westphalia delegation on green hydrogen
- **8 Feb 2023** – **Mr Robertson** met with Consul General Andreas Zimmer
- **1-5 Dec 2022** – **Mr Robertson** visit to Berlin for St Andrew's Day reception, launching the Scottish folk festival (Showcase Scotland)
- **2 Dec 2022** – **First Minister** meeting with Ambassador Berger in Edinburgh
- **1 Dec 2022** – **Ms Slater** dinner with Ambassador Berger in Edinburgh
- **1 Dec 2022** – **Mr Matheson** attended Ambassador Berger roundtable on energy in Glasgow

### **Overview of engagement with German regions**

- **Rhineland-Palatinate:** higher education, teacher education, student mobility, languages, history and culture
- **Baden-Württemberg:** environment, Under2 Coalition, low carbon technologies, hydrogen, public sector innovation, smart cities, AI and digital economy
- **Hamburg (City State):** hydrogen, renewables, low carbon transport, energy T&I
- **North Rhine-Westphalia:** reinvigoration of 2003 MoU, covering science, tech and entrepreneurship. New joint declaration to cover economy, energy and climate
- **Bavaria:** reinvigoration of existing 2017 Statement of Intent, covering business, innovation, research collaboration and trade links.

## 28.06.2023 - MAROŠ ŠEFČOVIČ, EUROPEAN COMMISSION VICE-PRESIDENT

<b>Key message/aims</b>	<p>The Scottish Government is committed to continuing a close relationship with the EU despite Brexit.</p> <p>We welcome the agreement on the Windsor Framework, and the personal role the Vice-President has played. We hope that substantive, meaningful progress can be made this autumn and beyond on the TCA.</p> <p>Key Scottish interests in the TCA include legal association to Horizon Europe, and progress on SPS including issues facing Scottish exporters.</p> <p>Scotland has much to offer the EU – including in renewable energy. We have plans to expand north sea production including green hydrogen and aim to be a significant net exporter. This can help the EU meet its need for safe, secure supplies. [This will be of particular interest to the Vice-President as the former Energy Commissioner.]</p>
<b>What</b>	An introductory meeting between the First Minister and European Commission Vice President Maroš Šefčovič.
<b>Who</b>	<b>Maroš Šefčovič</b> , European Commission Vice President for Interinstitutional Relations and Foresight.
<b>Where</b>	Berlaymont
<b>When</b>	28 June 2023, 11.30-12.15
<b>Likely themes</b>	Scotland-EU relationship; UK-EU relationship; Horizon Europe Scotland's offer (hydrogen, wellbeing economy).
<b>Media</b>	Tweet for @ScotGovFM/ScotGovBrussels
<b>Supporting official</b>	Martin Johnson, SG EU Director Lindsay Appleby, UK Ambassador to the EU
<b>Attached documents</b>	<ol style="list-style-type: none"> <li>1. Summary</li> <li>2. Agenda</li> <li>3. Biography</li> <li>4. Top lines</li> </ol>

## **1. Summary**

Meeting with high profile EU figure, Commission Vice-President, Maroš Šefčovič, European Commission Vice President for Interinstitutional Relations and Foresight. Responsibilities include Co-chair and EU representative in the Partnership Council, established by the EU-UK Trade and Cooperation Agreement. This is the first face to face meeting with an EU Commissioner since February 2020, and the first of any kind since Spring 2021. Over the last two years the dispute on the Northern Ireland Protocol has meant dialogue between the EU Commission and any 'UK authorities' (including the Scottish Government) has been extremely limited and tightly controlled.

## **2. Agenda**

This is a bilateral meeting with no set agenda.

## **3. Biography**

<p><b>Maroš Šefčovič</b></p> 	<p><b>European Commission Vice-President for Inter-institutional Relations and Foresight</b></p> <p>Slovak diplomat and politician. He has been member of the European Commission since 2009. He is the EU's main interlocutor with the UK (via the Foreign Secretary). They are the two co-chairs of the TCA Partnership Council.</p> <p>He studied at the University of Economics in Bratislava and at the Moscow State Institute of International Affairs between 1985-1990.</p> <p>2019 – present: European Commission Vice-President for Inter-institutional Relations and Foresight</p> <p>2014-2019: European Commission Vice-President for the Energy Union and EU Space Policy</p> <p>2010-2014: European Commission Vice-President for Inter-Institutional Relations and Administration</p> <p>2009-2010: European Commissioner for Education, Training, Culture and Youth</p> <p>2004-2009: Permanent Representative of Slovakia to the EU</p> <p>1999 – 2002: Ambassador of Slovakia to Israel</p> <p>1992 – 1995: Deputy Head, Czech and Slovak Federal Embassy to Canada</p>
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	<p>1991-1992: Consul, Czech and Slovak Federal Embassy, Zimbabwe</p> <p>In 2019, he stood as a Slovakian Presidential Candidate but lost to Zuzana Chaputova, the current president of Slovakia.</p>
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#### **4. Top lines**

##### **Introduction**

- I am delighted to meet you during my first international engagement as First Minister. Over the course of my visit, I have been touched by the friendship and warmth that people here continue to show Scotland.
- [You may also wish to note that Cabinet Secretary Angus Robertson attended (virtually) the Partnership Council meeting in March this year, and SG participates routinely and constructively in TCA Specialised Committee structures.]

##### **Scotland – EU relationship**

- I am a proud Scot and a proud European too and many Scots would echo those words. Scotland is a European nation. We want to return to the EU. In the meantime, we remain committed to working closely with EU. We see EU founding values as Scottish values. Scotland sees itself as European and people in Scotland support us re-joining the EU - 70% in most recent poll. On Europe Day we had a debate in the Scottish parliament and lit up St Andrews House.

##### **UK – EU relationship**

- I would like to commend your personal contribution and efforts to agree the **Windsor Framework**. I welcome the work of the negotiating teams on both sides. The Scottish Government called for sustainable solutions and an end to the dispute on the Northern Ireland Protocol and we welcome the steps taken. However, the Windsor Framework is a step towards repairing UK-EU relations, but there should be no doubt: Brexit remains a generational disaster.
- **We want to see the damage of Brexit mitigated where that can be done.** I recognise the structure of the TCA means our relationship is not as close as the Scottish Government would have wished, but it is our hope that substantive, meaningful progress can be made this autumn, and beyond:
  - On Horizon Europe association we would like to see an agreement concluded as quickly as possible. This is vital for Scotland research communities.
  - On financial services – vital for Scotland – we are keen the MoU on dialogue structures between us is put into operation.
    - On SPS – we recognise that the Brexit approach chosen has inevitably introduced frictions. However, we are keen to explore what more we can do to enable products like seed potatoes and bi-valve molluscs to re-enter EU markets.
  - On energy trading and connection we want to enhance our connections and energy links. The UK re-joining the MoU on North Sea cooperation was a step forward on that.

- We need to see an improved framework for the mutual recognition of professional qualifications, to include key sectors such as lawyers and further progress on architects.
- We are interested in scope to do more on youth mobility.
  - We would like to see a better solution for touring creative professionals, to overcome visa and cabotage restrictions – though recognise this is extremely complex.

## Scotland's offer

As well as our shared values, Scotland has a lot to offer the EU:

**Green energy** – Scotland has huge renewables potential, including net export potential. We are focused on taking action to ensure Scotland is prepared to play a key role in meeting the growing European and global demand for hydrogen.

In December 2022, we published our Hydrogen Action Plan, which sets out our commitment to realise our export potential. We will also be working closely with industry and international partners over the coming months to develop our Hydrogen Export Plan. We are keen to develop renewable energy and hydrogen-specific partnerships to explore the development of the transnational value chains needed for the production of large scale hydrogen with potential export routes from Scottish ports into northern Europe.

- On **science and research** – our universities are among the best in the world and have been collaborating with European partners for centuries. We have a lot to offer and Horizon association can help maximise that.
  - For Scotland, we want to transition to a **wellbeing economy** - a fairer, greener, and growing economy that works for people and the planet, not the other way around.
- I understand that you will soon publish the **2023 Strategic Foresight Report** which will have an emphasis on beyond GDP indicators.
  - Scotland has already developed its own **Wellbeing Economy Monitor** to track broader outcomes beyond GDP across 14 indicators. Indicators cover a range of socio-economic, environmental and health factors, including areas like wealth inequality, the gender pay gap, investment, greenhouse gas emissions and biodiversity.
  - We know from our leadership of the Wellbeing Economy Governments (WEGo) Network that likeminded partners are seeking **international leadership** to drive the transition to beyond growth models ahead of the UN Summit of the Future in September next year. What role could the EU play as a driver of the transition to wellbeing and beyond growth economies?

## BREXIT ANNIVERSARY BRIEFING

### Impacts:

#### **A poorer nation**

The Office for Budget Responsibility expects the UK's GDP to be 4% lower in the long run because of Brexit. That equates to £3 billion in lost public revenues for Scotland, each and every year. Research by the Centre for European Reform paints an even gloomier picture, finding that the UK's GDP was 5.5% lower by the second quarter of 2022 than if Brexit had not occurred. It also found that UK investment was 11% lower and trade 7% lower than it would have been without Brexit.

#### **A cost of living crisis**

The UK had the highest inflation rate in the G7 in April. Brexit has exacerbated the cost of living crisis, driving a £250 increase in annual household food bills. Food and drink inflation is now at a 45-year high, with food prices rising by almost 25 percentage points between December 2019 and March 2023. Recent analysis suggests that a third of that increase is due to Brexit, meaning UK households have paid out almost £7 billion to cover the extra costs of overcoming trade barriers that make importing food from the EU harder. No community has escaped, but inevitably our poorest families are hurting the most.

The UK has also withdrawn from the EU Internal Energy Market as a result of Brexit, leaving us with a less efficient model of energy trading just as energy bills reach unprecedented levels.

#### **Increased costs to business and damaged trade**

The International Monetary Fund said of the UK economy "*investment has been weaker since 2016, labour market flexibility has come down, and the intensity of trade of the UK with the EU has come down ... all of these factors are in line with a weakening economy*". The UK has experienced the slowest growth in export volumes in the G7 since Brexit, and the trade in some goods has actually shrunk. For example, between 2019 and 2022 exports to the EU of fruit and vegetables fell 38%, clothes fell 33%, and footwear fell 45%.

EU markets are completely closed to some of our key products. Pre-Brexit, Scottish producers sold 20,000 tonnes of seed potatoes to EU customers each year. That trade has now collapsed.

44% of businesses in Scotland facing difficulties trading overseas named Brexit as the main cause. Scottish firms trying to export to Europe face significant additional costs and bureaucracy, at a time when their margins are already being squeezed. Our prized seafood industry has been hit with an estimated 50% increase in the cost of packaging items sent to the EU, and new Export Health Certificates are costing the salmon sector alone approximately £1.3 million per year.

#### **Additional costs and red tape for our fishing and agriculture industries**

Key Brexit promises made to the Scottish fishing industry have been broken. The UK Government's characterisation of Brexit outcomes has been described by Mike Park of the Scottish White Fish Producers Association as "hyperbole" and "spin".

Because of the UK Government's broken Brexit promises, Scotland has effectively lost quota share and has access to fewer fishing opportunities for some species than it had under the EU's Common Fisheries Policy. This includes, for example, North Sea whiting, where the maximum percentage of total EU and UK quota available to the UK is 73.5%, compared to average UK landings of total UK and EU quota from 2015-2019 of 82.7%. Even where quota has been gained through the TCA, much of it is for species that the Scottish fleet does not generally catch or does not wish to catch, making it of little practical value.

In the wider seafood sector, some shellfish exporters have estimated that the new barriers to trade with the EU have resulted in additional costs of £500-600 per consignment making some exports unviable. Seafood Scotland have described post-Brexit labour shortages as having a "huge impact" on the seafood processing sector, with businesses, "turning down growth opportunities due to a lack of labour."

Agricultural businesses are also struggling with major staff shortages as a result of Brexit, which has hampered efforts to recruit seasonal workers from the EU. As much as £60 million worth of food has been wasted on UK farms because of a labour shortage, according to the National Farmers' Union, which found at least £22 million of fruit and vegetables had been wasted prior to August 2022 because of a lack of pickers.

A leading grower's cooperative in Scotland reported a 17% labour shortage for 2022. NFU Scotland has highlighted severe difficulties replacing EU workers with UK staff, with horticulture chair Ian Brown stating, 'we need migrants to get the food that is grown on our farms onto our plates, and not rotting in our fields.'

### **Freedom of movement has gone**

We have lost the right to live, work and travel freely across the EU, and cannot easily recruit European workers to fill labour shortages in our key industries.

45% of tourism businesses in the Highlands and Islands have reported staff shortages, forcing otherwise successful firms to cut their opening hours. In July 2022 UK Hospitality reported 40,000 hospitality vacancies in Scotland, but the sector is excluded from the UK Government's seasonal worker scheme. Recent media reporting found one hotel in the Highlands alone short of 70 staff for the busy summer season.

The UK's £5.8 billion music industry has also been badly impacted by new restrictions on touring in the EU, with 77% of musicians reporting that they expect their earnings in Europe to decrease and 21% considering a change in career as a consequence.

### **Travel is more difficult and costly**

Brexit has slowed down the process of entering the EU on a British passport, with business travellers and holidaymakers reporting long delays at some airports and hours-long

tailbacks at the port of Dover. Pets can only be brought into the European Area with an Animal Health Certificate, which in turn must be issued by a vet and can cost between £100 and £300 per trip. Most mobile phone operators have also reintroduced roaming charges, which were abolished for EU members in 2017.

### **Less effective law enforcement cooperation**

Our police and prosecutors need to use slower, less effective methods to cooperate with European partners, meaning they must work much harder than they did pre-Brexit to achieve the same outcomes. We no longer have access to instant EU-wide alerts and intelligence, and some EU countries are no longer able to extradite their own nationals to face justice in Scotland. We have also lost access to EU civil justice co-operation measures.

### **Missed youth opportunities**

The UK Government decided not to participate in Erasmus+, preventing Scotland from participating fully in its own right.

With an estimated budget of €26.2 billion for 2021-2027, Erasmus+ provides wide-ranging opportunities for over 4 million participants to study, train, gain experience, and volunteer abroad. The 2021-2027 programme places a strong focus on social inclusion, the green and digital transitions, and promoting young people's participation in democratic life.

Erasmus+ previously enabled generations of young people to study in Europe and contributed £22 million to 190 educational projects across Scotland in 2020 alone. The UK's replacement Turing scheme is a poor substitute, allocating only £9 million to 30 Scottish projects in 2022/23.

### **Lost funding**

EU structural funding would have been worth around £549 million to Scotland over 3 years, supporting vital economic and social initiatives in some of our most deprived communities. Scotland's 3-year allocation from the UK's Shared Prosperity Fund – a supposed replacement – is only £212 million, or 61% less.

Our rural communities cannot access Common Agricultural Policy programmes, and the UK Government's proposed rural funding will not match the EU's. Between 2021-22 and 2024-25, Scotland will lose out on approximately £93 million.

### **Cutting edge research halted**

We still don't know whether the UK will gain access to the EU's prestigious E96 billion Horizon programme, two years after its launch. A predecessor scheme brought E870 million to Scotland between 2014 and 2020, fuelling cutting edge research across our world leading universities. The continued exclusion of Scottish researchers is a missed opportunity to play a strong, constructive part in shaping collaborative solutions to international challenges.

## **What the Scottish Government is doing to mitigate the damage caused Brexit**

### **Our presence in Europe**

Scotland remains an outward looking, active participant in the European family of nations. Despite Brexit the Scottish Government is working hard to foster ever closer partnerships with our European neighbours, supporting our goal of addressing major societal challenges such as the just transition to net zero.

Our offices in Brussels, Paris, Berlin, Copenhagen and Dublin play a vital role in that, enabling bilateral collaboration as well as multilateral cooperation with the EU and its institutions. That work includes promoting and attracting investment to Scotland, and doing what we can to promote and secure Scottish research and innovation capability, partnerships and funding in the post-Brexit landscape. However, despite our efforts other countries that are comparable to Scotland and are independent members of the EU, because of the fact of that membership, enjoy privileges and rights that are denied to Scotland.

Our Brussels office is crucial in our efforts to identify opportunities to keep pace with EU policy in devolved areas. It works closely with the Friends of Scotland group in the European Parliament, facilitating engagement with the Parliament, EU institutions, and influential stakeholders, to protect and promote Scotland's interests.

In addition, Scottish Development International continues to help businesses navigate the complex trading conditions caused by Brexit. Last year alone, working through our Paris office, SDI helped 14 companies achieve forecast increases in international sales worth more than £3 million. This support is crucial if Scottish businesses are to continue to grow, creating new jobs and opportunities despite the post-Brexit costs and bureaucracy they now face.

### **The Trade and Cooperation Agreement**

Scotland has crucial interests at stake in the post-Brexit relationship between the EU and UK. That includes the Trade and Cooperation Agreement signed in December 2020.

The TCA represents a step backwards in our trading relationship with the EU, when compared with the benefits the UK enjoyed as a member state. Nevertheless, if fully implemented it has the potential to help reduce at least some of the barriers to trade and movement caused by Brexit.

For two years almost no progress was made in this regard because of the protracted dispute over the Northern Ireland Protocol and the UK Government's threat to disapply key parts of the Withdrawal Agreement. The impact on Scotland has been significant and detrimental, including complete loss of market access for some of our renowned seafood, and a less efficient model of energy trading that we can ill-afford in the middle of an energy and cost of living crisis.

**The Windsor Framework agreement may create new opportunities to better implement the TCA, though European Commission Vice President Maros Sefcovic has warned that increased regulatory divergence between the EU and the UK will only deepen the barriers to trade and increase costs.**

The Scottish Government will continue to push hard for the UK Government to align with EU rules where it makes sense to do so, and to deliver progress on Scotland's key TCA implementation priorities. Those include:

### **Access to EU Programmes, particularly Horizon Europe**

We need to see legal association to Horizon concluded as soon as possible.

### **Agrifood export rules**

The difficulties facing traders in Scotland – especially the exporters of food and drink products such as seafood, whisky and seed potatoes – are well-documented. Trade must flow with as few restrictions as possible. The UK needs to move this issue forward, including giving proper consideration to dynamic alignment with EU rules.

### **Energy, particularly electricity trading**

We have a less efficient model of electricity trading than we enjoyed pre-Brexit, when we were part of the EU Internal Energy Market. The UK needs to reach agreement with the EU on a more effective approach – which could reduce costs and improve resilience – as quickly as possible.

### **Professional qualifications**

The TCA creates a framework for mutual recognition of professional qualifications, but many professions are currently excluded. We want to see progress in key sectors, including for lawyers and architects.

### **Touring creative professionals**

We need a better solution for this group, which currently faces separate visas and permits for different legs of a tour, and complicated rules around movement of equipment (cabotage).

### **Student exchange**

Losing the Erasmus+ programme has deprived a generation of young Scots, and their European counterparts, of opportunities that their immediate elders enjoyed. The UK should return to this prestigious initiative, or at the very least provide equivalent alternatives. The Turing scheme, as currently devised, falls far short of that.

### **Research funding**

Our world leading universities built their reputations on their world leading research. The UK Government must secure association to the EU's flagship, E96 billion Horizon programme, or see our institutions lose their hard-fought advantage – and some of their best minds – to competitors elsewhere in Europe.

### **Security cooperation**

The Schengen Information System (SIS) is the largest and most widely used mechanism in Europe for sharing data on security and border management.<sup>1</sup> Exclusion from SIS is a significant loss to law enforcement.

It is urgent, in the public interest, that an alternative means be found to better exchange vital information that keeps the people of Scotland safe.

### **Emissions trading**

The TCA provides for linkage between the UK and EU emissions trading schemes (ETS). More needs to be done in this area, so that the UK can maximise the benefits that could accrue from a larger cooperation zone.

Civil society input. The TCA created two forums that should enable Scottish businesses, trade unions, and third sector organisations to share their experiences of the TCA and promote their concerns – a UK Domestic Advisory Group (DAG), and a joint UK/EU Civil Society Forum (CSF). At present the UK DAG is not proportionately representative of the UK's nations and regions, and membership is heavily weighted in favour of business groups. More needs to be done to ensure representation is fair.

### **Parliamentary input**

We welcome the creation of the Parliamentary Partnership Assembly (PPA), which has drawn attention to key TCA implementation issues like energy cooperation. We also welcome the invitations that have been extended to the Scottish Parliament to attend PPA meetings, and will work to ensure this is accepted as standard practice.

## **ANNEX B**

### **EU-UK RELATIONS BRIEFING**

**The Windsor Framework** (agreed 27 February) was a key step towards improving UK-EU relations. It followed a near two year dispute between the parties on implementing the NI Protocol (part of the EU-UK Withdrawal Agreement). The EU withdrew a set of legal actions as part of the agreement, while UKG agreed to stop pursuing the NI Protocol Bill (to override the NI Protocol).

In announcing the Framework, Commission President von der Leyen indicated rapid progress was now possible on areas like Horizon Europe legal association, and the blocked MoU on financial services. This spirit of optimism was also present at the Trade and Cooperation Agreement (TCA) Partnership Council meeting in March, chaired by the Foreign Secretary and EU Commission Vice-President Sefcovic, and attended (virtually) by Angus Robertson. However, **to date further progress has been stalled.**

The Brussels political cycle will see elections for the European Parliament (EP) on 6-9 June 2024, with a new Commission nominated soon after, and taking office no later than November 2024. In effect, this means that **there is a window of only 6-9 months (to**

**around Jan-March 2024) to make substantive progress** on improving the detail EU-UK relations (at least where it would need endorsement in the EP).

### Trade and Cooperation Agreement (TCA)

The TCA is overseen by the Partnership Council and has around 20 specialised committees which sit underneath. The governance structures have functioned effectively in a bureaucratic sense, and Scottish Government Ministers and officials have been directly involved. We have also had some positive examples of Scottish concerns being put on the agenda for discussion. However, **the focus on the TCA specialised committees has tended to be around 'implementation'** – i.e. ensuring what was agreed in the TCA is delivered on – as opposed to seeking opportunities to build on and improve what is a low base.

There is some grounds for **cautious optimism in a few areas**. We expect the MoU on financial services to be agreed imminently (possibly w/c 26 June), and talks on Horizon continue (with prospects for a deal thought to be 50:50). DEFRA officials see some scope for progress on unblocking seed potato exports to the EU, though it will require senior political will. UKG also hope to progress areas like electricity trading, while the Partnership Council in March agreed structured dialogue on cyber security and counter-terror will be taken forward. Extending an agreement on rules of origin (RoO) on batteries for EV cars is also a priority.

However, making progress on areas like rules around touring artists or youth mobility may not be possible in the coming period.

Officials on both sides have been clear to **manage expectations** around the scope for substantive improvements to the TCA - either immediately or as part of the formal review in 2025/26. EU colleagues note that the position on implementation and improvement would be affected by EU engagement with **business**, but the strong underlying message was one of the need to **focus efforts on those areas of the TCA not yet fully implemented**. At the EU-UK Forum event last Monday (12 June) it was noticeable that VP Sefcovic also drew attention to the Retained EU Law (REUL) Bill in the UK parliament and noted that divergence from EU laws would risk lessening market access for UK businesses still further.

In the autumn, there are important implementation milestones for the Windsor Framework, and in October UKG will start introducing border controls for EU importers to the UK. These are the same controls that have caused additional bureaucracy and delays for UK exporters when introduced by the EU; it remains to be seen what the response will be on EU small businesses and exporters.

### Parliamentary Partnership Assembly

The UK-EU Parliamentary Partnership Assembly is the body formed by the UK and European Parliaments that provides a joint role in the formal institutional structures of the post-Brexit UK-EU relationship. It is composed of UK Members of Parliament meeting together with

Members of the European Parliament, acting as a forum for parliamentarians to exchange views on the implementation and operation of the Agreement. The Rt Hon Sir Oliver Heald KC MP is the UK lead with The Earl of Kinnoull and Hilary Benn MP as vice chairs. The convenor and vice convenor of the CEEAC Committee represent the Scottish Parliament.

The Parliamentary Partnership Assembly meets next in Brussels on 3-4 July. **We are planning significant Scottish input and officials are actively considering how best to support Scottish representatives and help drive progress.**

## ANNEX C

### SG EU ALIGNMENT POLICY

#### **The Continuity Act - European Union (Continuity) (Scotland) Act 2021**

The purpose of the regulation making power in Section 1 (1) of the Act is to maintain Scottish Ministers' ability to keep devolved Scots law aligned with EU law as it develops and where that is in Scotland's best interest.

Our policy statement approved by parliament reflects the helpful contributions received from members which improve the transparency and accountability of our approach to using the powers within the Act.

The Act aims to provide flexibility. As the policy statement shows, ministers will only consider use of the power when other legislative options to maintain alignment are not available or would not be the most effective or efficient method.

A recent example is the use of the power in regard to regulations to implement the health based provisions of the recast Drinking Water Directive.

#### **Using the section 1 power within the Continuity Act**

The section 1 power under the Act is discretionary, and just one way by which we can seek to align with EU standards. We are considering, in each circumstance, which vehicle to align would be most appropriate.

Primary legislation may be more appropriate than secondary legislation to maintain alignment in some cases. Where secondary legislation is appropriate, subject-specific domestic powers should be used in preference to the power in section 1(1) to make regulations to align, unless there is good reason for not using those powers. Section 1(1) acts as a backstop, where secondary legislation is appropriate and subject-specific enabling powers are not available or not appropriate.

As outlined in the 2021 to 2022 draft annual report laid before Parliament on 27 October 2022, the Scottish Government has not used the section 1 powers under the Act in the 2021 to 2022 reporting period.

The 2021 to 2022 draft annual report details that the powers in the EU Continuity Act will be used for the first time this year, as new regulations ensure Scotland's high quality drinking water aligns with standards set by the European Union under the Recast Drinking Water Directive.

#### *Other ways we align*

We are considering on a case by case basis the most appropriate way to maintain alignment with EU legislation, policy, and standards. This may be through policy development alone, primary legislation or secondary legislation using subject-specific enabling powers or, if these methods are not appropriate, through the regulation making power in the Continuity Act.

## **ANNEX D**

### **BUILDING A NEW SCOTLAND: EU STATEMENTS**

#### **Currency**

What we have said (in Building a New Scotland series) to date:

- "We propose that, on independence, Scotland would continue to use the pound sterling for a period before moving to our policy of adopting a Scottish pound. The change would take place as soon as practicable through a careful, managed and responsible transition, guided by criteria and economic conditions rather than a fixed timetable."

#### **What FFM said:**

- **17/10/22** - Press Q&A following launch of Building a New Scotland: A stronger economy with independence

.."there is nothing that would stop an independent Scotland, or any country, applying to join or re-join in our case the EU before we have our own currency. Clearly, the negotiation around rejoining and the process of establishing our own currency would be processes that we would want to align. But the idea that we would have to have our own currency before we start that process of re-entry to the EU is not the case."

"there are people on my own side of this debate who would love me to stand up and say on day one of independence, we will suddenly have our own currency. That is not possible. We need to make a transition from where we are to having our own currency and that is what we set out. Now, during that period when we continue to use sterling which we are free to do because it's an internationally traded currency, it doesn't depend on agreement with the UK, we would be in a position of our monetary policy still being governed by the Bank of England. Now that for a transitional period is necessary. But we do not consider that that is a sensible position longer term which is why we are steering the policy of moving to a separate currency as soon as practicable. Now, why don't we put a particular timescale on that? Because we consider that that would be not responsible because one of the criteria for the exact time at which that move is made would be the overall economic conditions and therefore if you tie yourself into a specific timescale, you could end up trying to do it at a time that would not be optimal. So instead, and I appreciate you haven't had the chance to

look at this in detail, we set out requirements and criteria that would guide that process together with advice from the central bank and ultimately a decision of the Scottish Parliament. Because of what you have outlined there in terms of that period where we'd be using sterling, we would want that period to be as short as practicable."

.."I don't think we were wrong in 2014. I think a currency union would have been a perfectly legitimate, valid and I think it would have turned out to be an effective currency option for Scotland to have pursued. But if you recall, not just the UK Government, but all of the main parties effectively vetoed it in the 2014 referendum, I think at the time, if memory serves me correctly, probably supported by the Daily Mail. So, we're not going to put Scotland's future position into a place where it can be vetoed by a Westminster establishment, so we are setting out a sensible process for establishing a currency and, you know, if you listen sometimes to people in the opposition, they would have you believe that Scotland is the only country in the face of the planet that can't have a currency arrangement that works effectively, which is, you know, patent nonsense."

.."I don't think Scotland would qualify automatically to join the euro. So that is... but I don't think it is the right option for Scotland. ...I set out why in terms of currency as we will set out on European Union with respect to the negotiation process, we're not going to put at this stage definitive timelines on that. ...We want these processes to be as short as possible for obvious reasons and you know, have confidence that they can be short periods of time."

"We want to establish a Scottish currency. Incidentally sterling is not a foreign currency. Sterling is Scotland's currency. It is as much our currency as it is any other part of the UK's. This is not, would not be Scotland using another country's currency. It would be Scotland continuing to use our own currency, an internationally traded currency into the bargain. But for all the reasons I set out including the issues that have been raised around the European Union, we want as soon as practicable to move to a Scottish pound because we think that would be in the overall interests of the economy."

- **27/10/22** - FMQs –FFM quoted several politicians/former EU diplomats saying that no country would be forced to join the euro and used examples of EU member states that have not joined euro to date:

"Not all countries in the European Union will join the euro." That was said by former Prime Minister David Cameron.

"They're not going to force us to join the euro". That was said by highly respected former Labour MEP David Martin.

"No country has ever been obliged to join the euro", said Graham Avery, former senior adviser at the European Policy Centre. Just yesterday, the deputy director at the Centre for European Reform said, "I'm not a Scottish nationalist, but euro membership doesn't get forced on member states."

"I have no intention of forcing countries to join the euro if they are not willing or not able to do so." That was said by the former President of the European Commission itself. If quotes are not enough, how about hard evidence? Many countries in the European Union still use their own currency. I am being asked to name them: Bulgaria, Hungary, Poland, Romania and Sweden, which has been a member state since 1995."

.." The criteria that he [Douglas Ross] refers to, which are actually the Maastricht criteria, was in place when Sweden joined the European Union 27 years ago."

## **Borders**

What we have said (in Building a New Scotland series) to date:

- In joining the EU, an independent Scotland would adopt what is called the Schengen acquis, a set of common obligations and rights EU countries adhere to, in so far as it concerns cooperation between police, customs and border authorities.
- For movement of goods, checks between Scotland and the 27 current members of the EU and Northern Ireland would all be eliminated. While, because of the UK decision to leave the EU, there would be some checks on goods between Scotland and the rest of the UK, people in Scotland could move freely in both these islands and the EU.
- Rather than both Scottish and UK border authorities performing two separate stages of checks on the same goods, it would benefit traders for the administrations to agree to a single set of checks. Both the UK and Scottish Government authorities could be authorised to undertake customs checks on each other's behalf.
- Sharing responsibility for customs checks is something that happens on the Norway-Sweden border and, together with the use of technology, has the result that most goods traffic travelling across the border are cleared by customs within three to nine minutes.
- Any actual physical checks at or near the border would likely only be undertaken on the main trunk routes between England and Scotland or at rail freight terminals.
- As the details of our borders arrangements are settled – which, in addition to the work the Scottish Government requires to do, will also need greater certainty about the UK/EU relationship and negotiation between Scottish and UK governments – we will set out measures to help traders adapt to any new procedures and requirements
- Under an arrangement called the Common Travel Area (CTA) Scotland would, like Ireland, retain freedom of movement within these islands, including the UK and Ireland. This is an agreement that allows for free movement between the UK, Ireland, the Channel Islands and the Isle of Man by citizens of those territories. It also gives reciprocal rights for British citizens in Ireland, and Irish citizens in the UK.
- Ireland is both an EU member state and part of the CTA – which is a long-standing arrangement recognised in EU treaties. It would make sense for all parties for the same arrangements to apply to Scotland in the event of independence.
- Being in the CTA means that there would be no new passport or immigration checks at any of an independent Scotland's land, sea or air border points with the UK and Ireland for those travelling within it. It would also mean that rights to live, work, and access services including housing, education and healthcare would continue for British and Irish citizens in Scotland, and for the citizens of an independent Scotland in the UK and Ireland. But in addition, Scottish citizens would be able to take full advantage of their rights as EU citizens just as citizens of Ireland do. This would be a significant and substantial benefit of independence.

What FFM said:

- **14/06/22** - Press Q&A following launch of Building a New Scotland: Independence in the modern world. Wealthier, happier, fairer: why not Scotland?

"- One of the papers we will publish in this series will be on European Union membership, we will also... on trade and as part of that of course we will confront the implications of Brexit which is of course not something the Scottish Government has chosen but does... present different challenges around these issues"

"Now I think it's important to say... we're not dealing here with issues about the movement of people – the common travel area... I don't think there is anybody, certainly nobody with any credibility, who would argue that Scotland would not remain in the common travel area"

"But the issues in terms of regulatory and customs issues around goods, we've got to work out how that operates in a way that would fulfil the requirements that would be on us in terms of European Union membership – and remember the big advantages and benefits of European Union, Single Market, membership – a marketplace seven, eight times the size of the UK – enormous potential to grow our trade and to grow our exports" "We need to set out how we would deal with that in a way that isn't damaging to the South of Scotland and isn't damaging to businesses"

"I'm not going to shy away from any of these issues. I think the benefits of Scotland being independent far outweigh any of these challenges but how we overcome the challenges is important and we have a duty to set that out clearly and the future work in this series will do that"

On hard border:

"I am not going to...pretend that implications of the decisions we take don't exist. If we are in the Single Market and the rest of the UK is outside the Single Market then yes, there are issues in terms of regulatory and customs requirements that need to be met"

"What I'm saying is not that these challenges don't exist but these challenges can be managed in a way that doesn't present disadvantages to our businesses and of course what the benefits of that situation are is the ability to trade freely within a market that is 7 or 8 times bigger than the UK"

"There will be customs and regulatory issues on trade if we are in the single market. I think the benefits of being in the single market outweigh the challenges there. We need to set out how these challenges will be met"

"These issues are not insurmountable if you come about in the right way"

- **17/10/22** - Press Q&A following launch of Building a New Scotland: A stronger economy with independence

"Trade across the UK is important but that must not be the limit of our ambition, not where we have a market 7 times the size of the UK on our doorstep"

"Scotland will remain in the Common Travel Area... that means any talk of passports to visit relatives in England is utter nonsense. Free movement of people across our islands will continue as before"

“What Brexit does mean though, when Scotland returns to the EU, is that border arrangements will be required to ensure continued trade in goods and services across the UK”

“None of this, none of this, is insurmountable, but it does require proper planning. Most of Scotland’s trade with the rest of the UK is in services and we set out the arrangements that will need to be in place to ensure that continues. As far as manufactured goods are concerns, the things that actually physically cross borders, we actually export more to the rest of the UK.

Nevertheless, we set out here the mechanisms by which necessary checks can be carried out in a way that allows smooth trade to continue and makes clear that we would provide support to traders to adapt. “

## ANNEX E

### EU CANDIDATE COUNTRIES

[https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/enlargement-methodology\\_en.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/enlargement-methodology_en.pdf)

- **Albania, Moldova, the Republic of North Macedonia, Montenegro, Serbia, Turkey, and Ukraine** are current EU **candidate countries**.
- Additionally, **Bosnia and Herzegovina, Kosovo and Georgia** are designated by the European Commission as '**potential candidates**'.
- **The EU is clear and consistent that each candidacy process is based on its own merit.** EU leaders and spokespeople are consistent that there is not a 'queue' system. Turkey e.g. submitted its application for full membership in 1987, with negotiations currently stalled due to rule of law and human rights concerns from the EU.
- Commission President Ursula von der Leyen's latest State of the Union address and speeches during a visit to various Balkan nations have delivered a consistently strong message of support for EU enlargement. However, each candidacy requires unanimous approval by member states.
- In early 2020 the Commission published a [Communication](#) on an improved and enhanced accession process – with a particular focus on the Western Balkans - later endorsed by the Council.
- This new approach seeks to make the process more predictable, dynamic and based on objective criteria, to build trust and confidence between the EU and candidate countries.

## ANNEX F

### COMMON FISHERIES POLICY

The Common Fisheries Policy (CFP) is a mechanism and set of rules designed to ensure the long-term environmental, economic and social sustainability of fishing and aquaculture activities in the EU. The original aims of the CFP included increasing productivity, stabilising markets, providing a source of healthy food and ensuring reasonable prices for consumers. Since its establishment, however, the CFP has undergone significant reform to encompass a range of wider objectives.

Under the CFP, all member states have equal access to waters in the entire EU, although member states can also restrict or limit access in the 0-12 nautical mile area in certain circumstances. Quotas set annually by the Agriculture and Fisheries Council on the basis of scientific advice and once overall EU quotas are set, member states are given a percentage based on historical catch data and other factors; known as 'relative stability'.

As an integral part of the EU law, it is well-established that being an EU member state means implementing the CFP from the point of accession.

In relation to the Trade and Cooperation Agreement, the fisheries agreement that forms a key part of the TCA is considerably worse than the UK Government has sought to portray, and will mean a fall in the quantity of key fishing stocks landed by the Scottish fleet. Headline quota increases will be phased over 5 and a half years, some of which cannot in practice all be caught, and exacerbated by losing the option of buying or swapping in extra quota from EU companies.

Provisions on cross retaliation will give the EU an automatic right to seek compensation for losses as a result of restricting access to UK waters in the form of tariffs (including on aquaculture).

#### Key messages

- **The overarching aims of the CFP are goals that the Scottish Government strongly supports and has much to contribute to. The CFP also implements international agreements that an independent Scotland would be bound by, and committed to achieving.**
- It is a matter of regret that Scotland is not currently able to contribute our marine expertise to delivery of the CFP and other priorities directly, although we remain firmly committed to respecting and promoting EU values and the principles of the *acquis*, and to working in partnership with the EU wherever possible.
- And through our EU alignment policy, we continue to align with EU standards and outcomes wherever it is legally and practically possible for Scotland to do so.
- Although some parts of the CFP have been historically challenging for Scottish fishing interests - particularly in relation to 'relative stability' and in relation to discarding - the CFP has also been used as a scapegoat for UK Government choices on the domestic management of fishing rights, such as the commodification and sale of quota.
- In contrast, if Scotland becomes an independent member state, we would use our marine experience and expertise to proactively and positively support current and future reforms of the CFP led by the European Commission to maximise efficient and effective delivery of CFP outcomes.
- Just as was the case when the UK was an EU member state, Scotland would be a champion of regionalisation – working in partnership with other member states to implement bespoke management measures on a delegated basis, in recognition of the different needs of different marine ecosystems.

- Scotland would also be ideally placed to use the richness of our waters and marine assets to enhance a range of EU strategic agendas and to work constructively and collaboratively to help drive ambitious and transformational change.
- **We have consistently said that no deal can be reached that will be as favourable – in the round - as EU membership, and the UK Government has proven that conclusively.**
- The TCA may be better than a “no deal” outcome, but for many in Scotland it represents little more than a series of broken Brexit promises by the UK Government.
- Throughout the Brexit process, the UK Government tried to cherry-pick, and to reach a deal with all the benefits of the Single Market but with none of the responsibilities that go with it, and they categorically failed.
- Within days of Boris Johnson’s deal being announced, the Scottish Government published clear evidence showing that the deal delivered a worse deal for some stocks than under the Common Fisheries Policy.
- That not only affects the fishing industry, but also has a knock-on impact [on](#) harbours, fish markets and seafood processors.
- What UK Ministers described as “teething troubles” are, in reality, new and permanent trade barriers that will cause long term damage to the competitiveness of our seafood sector as well as reducing access to Scottish seafood products that are in high demand by EU consumers.
- These impacts have also been exacerbated by a loss of access labour from the Scottish seafood sector and wider supply chain caused by the UK Government’s hostile immigration policy after Brexit.
- Ever since the 2016 referendum, successive UK Governments have completely mishandled relations with our closest allies and partners - the EU.
- The interests of Scotland and its people have suffered grievously as a result, and none more so than the Scottish fishing industry.

## FM Brussels EPC Speech

Thank you very much Janis, and let me say what a pleasure it is to be here at the EPC, and also – as you say, quite rightly Janis, that my first international visit, my first overseas visit as First Minister is here in Brussels. Not by accident or by coincidence, but very much by design given the importance of the relationship that we hold with our friends here in Europe.

Now, a couple of things first of all to say – you'll see in that picture I am wearing the exact same suit as I am wearing today. I have more than one suit. First of all, let me make that absolutely and abundantly clear to you.

The second thing I would like to say is I arrived here last night and we've had a number of engagements yesterday, we've had a number of engagements today. What has been fascinating is for the vast majority of people that I have met in my engagements, people have told me that they have some sort of connection with Scotland – some of them have travelled before, some of them stayed in Scotland, some of them are from Scotland. Many, for example, were a part of the Erasmus programme, something I'll touch upon later on.

So I'm so pleased, and I'm certain there will be people in this audience who have a strong connection to Scotland – and it reminded me often of that phrase we use – there's two types of people in the world, those who are Scottish and those who want to be Scottish.

So if you fall into either of those brackets, you are most welcome here.

The last seven years, and it's been just over seven years since that fateful day, quite frankly, of the Brexit referendum, we have been at pains in Scotland to say that we believe that the best future for Scotland is as an independent nation within the European Union.

For me, if there was ever a doubt at all about the strength of being a member of the European Union, then I think that has almost evaporated in Scotland. Maybe if not quite evaporated, then certainly that feeling is a minority view.

Because you'll remember that at the time of the Brexit referendum, 62% of Scotland voted to stay within the European Union, and of course we were, and have been, dragged out, even though the majority voted against Brexit.

In polls, just out a couple of weeks ago, it shows that support for the European Union is now at 70%. So we're only growing because people are seeing the folly, I think, of Brexit.

So it is a real privilege to be here as First Minister. I continue on from – I can see my predecessor looking at me and just telling me that if I get any of the answers wrong, then no doubt she will let me know.

But carrying on from previous First Ministers who have come to – not just the EPC – but who have come to Brussels to really just emphasise and reemphasise the point that we see

ourselves as a European nation. Scotland sees itself, views itself very much as a European nation.

I'm a proud Scot. I'm a proud internationalist. And I'm a proud proponent of the good that migration and the movement of people has done over the years, the decades, the centuries in fact in that regard.

And despite Brexit, Scotland remains that staunchly European nation.

We cherish our connection to other EU nations. We recognise the practical benefits that those connections bring. And we share and we support those core values.

And that to me is the first message, if I've got any message to give you – is that as well as the transactional, which is important, of course it is in its own right, and I'll touch upon that. Our relationship with Europe is based on values. We see ourselves as a European nation. We align ourselves with the values of democracy, freedom, the rule of law, and independent nations collaborating for the greater good.

These are values that are important to us. So as well as the transactional, first and foremost, this is a values-based relationship and the values that we have we believe we share with our partners here in Europe.

In the last few days my party has been in a bit of mourning actually, because we lost a shining light of our party and of our movement – a woman known as Winnie Ewing, she was a member of the European Parliament for 20 years or thereabouts, and she was known affectionately in these parts as Madame Ecosse, because she never, ever stopped talking about Scotland in the corridors of the European Parliament, and wherever she went in fact in Brussels.

And the reason why Winnie was so important was not only because she was a big advocate for Erasmus and the exchange of people – particularly young people – across the continent. Was because she ensured that our movement, my party, that I belong to, we are an internationalist party.

Do we believe in independence? Absolutely. We don't believe in an isolationist approach – we believe in being an outward-looking country.

That's why I want to set out some of the ways in which the Scottish Government, we are working to create that strong and mutually beneficial partnership between Scotland and the European Union. And I'll outline how Scotland can contribute to what I think of as some of the key challenges that we all face, and undoubtedly Europe faces as well.

It's perhaps worth emphasising that basic point that of course, first and foremost, Scotland did not vote for Brexit. I mentioned the 62% figure, and you will know that, you'll have heard that, at the time of the Brexit referendum.

Worth mentioning this was replicated across the country. So we have 32 local councils – every single local council, all 32 in Scotland, voted against Brexit. But yet, of course, the decision was made as one of great, lasting regret.

The UK's decision to pursue – not just Brexit, but a hard Brexit – has contradicted the idea that the UK is a partnership of equals. Two of the four parts of the UK voted to leave, two of the four voted to remain, but yet of course the harm that is being caused by a hard Brexit is being felt by Scotland.

Whether that's increased inflation, it has harmed our exports, and removed our ability to live, to work freely across the European Union.

It's estimated that the overall impact to our economy equates to £3 billion less in terms of tax revenue for Scotland each year, which is a significant amount given the size and scale of our budget.

I've already mentioned the importance of the values, and I think it's more important given what we've seen in the last just over a year in terms of the situation in Ukraine – the illegal invasion of Ukraine.

Those European values – those values that we hold to dearly – are under threat more now than ever before. And therefore I think it's important for us to continue to stress from a Scottish perspective that we are absolutely committed to working with the European Union for peace and prosperity.

And that's, as I say, one of the reasons we believe in democracy, because we believe in the rule of law, that is why the government I lead has always made the case that when it comes to independence, our case for independence is one that would follow a democratic process. It would be through a legally binding referendum on Scottish independence – not outwith, not outside of, the democratic process.

The people of Scotland, as you may know, we have a Scottish Parliament that has a pro-independence majority – it favours a referendum. And a significant reason for that is that our case for independence is inextricably linked to membership of the European Union.

In fact, we talk about it in the same breath – we say that we support Scottish independence as an independent member nation of the European Union. So it is inextricably linked.

And as part of that commitment to Europe and the European Union, even though we are no longer in the European Union, we have taken a deliberate decision as the Scottish Government to ensure that as far as we possibly can – we don't have all the powers that we would like – but as far as we possibly can - we keep alignment and keep pace with EU regulatory standards for example.

That will allow us to maintain of course the very high standards and protections that we benefitted from when the UK was a member state. But also, to be frank, when it does come

to the time when Scotland is independent, it should – I hope – make it easier when it comes to accession and returning to the European Union.

So of course, stating the obvious, Scotland is not currently independent. So what we will do, while we are part of the UK, is try to encourage our friends in the UK to be as pragmatic in the approach to negotiations, discussions, and co-operation.

So for example we welcomed the Windsor framework earlier this year. There was a slight bit of frustration of course – not at our friends in Northern Ireland, of course, because they have every right to have that framework in place – when the Prime Minister extols the virtues of the framework and says it's great for Northern Ireland to have the best of both worlds – the best of the UK and the best of the European Union, Scotland is sitting there saying *hello – that would be great. We would like a piece of that.*

But we are, of course, where we are.

My hope is that through that agreement, I'm hoping, that some of the inertia in the relationship, some of the resistance, some of the tension in the relationship will begin to dissipate. Perhaps not fully, but I hope it will begin to dissipate, and I hope that that agreement on framework will create some momentum getting movement on the trading cooperation agreement.

A number of areas of interest to Scotland – the one that I think is worth referencing, or a couple that are worth referencing, are on financial services of course; closer relationships on energy – and I'll touch upon that later on; but very importantly to us is that Horizon association.

Scotland has some of the best universities in the world – world-class universities. Many of you may have been there, studied there, taught there over the years, whether it's in Glasgow, Edinburgh, St Andrews, Aberdeen or Dundee. Universities with world-class pedigree and reputation. So we see a real benefit from having that Horizon association, and we see that we have a lot to offer as well as a lot to gain, as part of that association.

The Scottish Government is also using our devolved powers to mutually beneficial partnerships - with governments, with businesses and organisations right across Europe. And there's a number of ways in which we're doing that.

For me, one of those areas, is through the advocacy of a wellbeing economy. Scotland is one of the founding countries of the wellbeing governments initiative, alongside colleagues in Iceland and New Zealand.

Tomorrow I have the great pleasure of meeting the vice-president of the commission, Vice President Sefcovic. And I know that he has a real interest in the wellbeing economy, and I know it is also an area of interest for the EPC, having read a number of papers on the wellbeing economy.

And we have, as I say, not just a great interest, but making great progress in terms of our own National Performance Framework, in terms of our national indicators around the wellbeing economy.

So never a conflict between growing the economy or indeed for example growing it for a purpose in terms of investing and reinvesting in poverty reduction measures.

So we hope to deepen our engagement with the European Union in a number of areas, and the wellbeing economy is absolutely one of them.

One of the other areas of focus for me on this visit, and it's going to be a primary area of focus not just for me but for all of my Ministers that travel here, will be of course to deal with the impacts of the climate crisis and also to help with the energy problems that Europe, and many parts of the world, but Europe in particular, is facing.

Tackling the climate crisis is of course a moral imperative, and we have ambitious plans to do that in Scotland and we're taking forward world-leading climate change targets, as well as of course transitioning from a country that has a world-class reputation in terms of being in the oil and gas capital of the world, of Europe in particular, to be the net zero capital of Europe.

And our north east – Aberdeen in particular – we are working on that just transition where we take workers of the north east with us on that journey from oil and gas and fossil fuels to unleashing the full potential of Scotland's renewables. We have plenty of it – if any of you have visited Scotland, we are a very windy country, which can be frustrating for tourists, but fantastic for our renewable offer that we have for the world.

So for me there is a huge, huge opportunity, and again for Scotland but also I hope for the European Union if we can collaborate on renewable energy. Scotland has expertise in offshore, onshore tidal and wave, and importantly on hydrogen as well.

So whether we're inside the European Union or outside the European Union much to my regret, I think we've got a key role to play. Because we know Europe is – rightly, understandably - keen to wean itself off foreign imports of energy, particularly Russian gas, and therefore I believe we have the ability to do that and to assist with that.

We have some of the best, as I've already mentioned, offshore wind resources anywhere in Europe. Through our ScotWind process, licenses have been awarded which could increase our generating capacity by more than 28 gigawatts across 20 different projects.

Now, that's obviously important as we aim to decarbonise our electricity supply. However it's crucial to the production of green hydrogen, which again I know is of great interest to many people of this continent as well.

Our Hydrogen Action Plan aims to have the capacity, by 2030, to create 5 gigawatts of hydrogen, and by 2045, we hope to have the capacity to produce 25 gigawatts of hydrogen. Much of that will be exported.

We've already signed a number of memorandums of understanding relating to hydrogen with the likes of Denmark, with Hamburg, with North-Rhine Westphalia. And we hope to cooperate with many other regions and businesses in Europe as best we possibly can. So huge potential for us on the energy side as well.

We've also mentioned already in passing the importance of research, of innovation, of education. And the developments I've spoken about so far – in new forms of energy, or ways of thinking about the economy such as the wellbeing economy – they really rely on that exchange of people, on that exchange of ideas.

And that's the other area of partnership that I want to cover today.

I mentioned that Scotland has some of the best universities and indeed some of the best colleges in the world. Major strengths across a number of sectors – energy, data, artificial intelligence, medicine, life sciences.

So we believe they are very well placed to help tackle the key technological, social and environmental challenges that we all face.

So the fact that young people in Scotland and Europe can no longer be involved in the Erasmus programme – exchange between the UK and Europe – is a great tragedy actually.

I think that's the only word I can use to describe the fact that young people in Scotland will not be able to benefit from what their previous generations did – that exchange of ideas, that freedom of movement. And, particularly through Erasmus, an excellent programme, which has been to the benefit of Scotland, to the UK, and indeed to the benefit of Europe.

Not just for students – important as it is for them – but also for staff as well.

And the UK Government's replacement, the Turing programme, I'm afraid is less effective. It helps fewer students, and it does not help staff at all, so from a Scottish Government perspective I'm pleased we have confirmed we will fund a pilot project to re-establish an Erasmus alternative. We will set out further details on that scheme in the coming weeks to come.

But it is so important I think that we give our young people in particular, but also our staff – those who are going to be so important in the sharing of knowledge exchange that we require – we give them the opportunities to exchange that important knowledge and information and gain from the exchange. It is only to our mutual benefit.

So with the pilot project we won't deliver the full benefits of the Erasmus programme – it will be smaller in scale – but I hope it will show a demonstration of our intent to support students and staff and will build those strong relationships with educational institutes.

We will also today launch a new blueprint to support entrepreneurship in colleges and universities – and we hope that this will help them to turn their research into important innovation to help tackle the biggest challenges our planet faces as well.

And the links between research, between innovation and entrepreneurship they're another area where we want to learn from, and work with, international partners including of course our international partners here in the European Union. And that's why I'm visiting BeCentral Entrepreneurial Campus this afternoon – at Brussels Central Station – I look forward very much to that visit.

I've already touched briefly upon the importance of the Horizon programme, so I won't say too much more about it but throughout that programme Scottish research institutions, they've worked with partners right across Europe. They've worked in areas such as tidal energy; sustainable ocean management; preventing Alzheimer's Dementia; designing antibodies to help diagnose and to treat COVID-19.

And as the name suggests, of course, Horizon is a genuinely far-sighted programme. It strengthens the EU's science base, it enhances economic competitiveness, and improves people's wellbeing by tackling those global challenges.

So what we want is to encourage both the UK and of course our partners in the EU to make some really meaningful progress when it comes to Horizon association. Scottish Universities and Scottish research and innovation are really suffering as a result of not being part of that Horizon association, so we'll do our part to do everything we can to encourage the UK in particular – and of course to our European partners, but to the UK in particular – to make progress in a meaningful way on Horizon association.

So I will end shortly by just saying Horizon for me is a really good example of how much we gain, but also hopefully offer, as part of European co-operation.

It epitomises the aim that was set out in the Schuman declaration, which I mentioned earlier – that European co-operation should aim for *"the raising of living standards and the promotion of peaceful achievements"*.

At a time of war in Europe, and at a time of an intensifying climate crisis, the need to *"promote peaceful achievements"* is as pressing as it has ever been. And that co-operation between independent countries is still, for me, the best way to achieve that.

So we will do everything in our gift, as a Scottish Government, to encourage the UK Government, to influence the UK Government to pursue a much closer and deeper partnership with the European Union.

We will seek to rejoin the European Union as an independent nation.

And we will always – whether we are in the European Union, or outside of the European Union – we will always stand up for the values of the European Union.

In doing this, we will continue to work closely with you – our friends in the EPC, but also partners who are seated here in the audience - to promote wellbeing; to tackle the climate crisis; to ensure energy security; and to support innovation and exchange of people.

The EU for decades has demonstrated that countries can deliver very practical benefits for each other through peaceful co-operation.

As you continue to do that in the years ahead, you will find that Scotland – regardless of what our constitutional position is – you will find that Scotland is always a loyal friend, a strong supporter and a very, very willing partner indeed.

**Rt Hon Humza Yousaf MSP**

**First Minister**

**Friends of Scotland Dinner**

**Tuesday 27 June 2023**

**Maximum length: 5-7 minutes**

**Bullet points**

You are speaking at a dinner with the European Parliament's Friends of Scotland Group. There will be around x MEPs in attendance.

Group co-chair MEP Udo Bullmann (Germany, Socialist and Democrat group) will provide brief welcoming remarks.

The other co-chair MEP Terry Reintke (Germany, Greens Group) will then speak. She will introduce you?

Martin Johnson, the Scottish Government's EU Director will then invite other MEPs to comments or ask questions.

- Thank you. I want to start by thanking Terry Reintke [rhine-t-kuh] and Udo Bullmann, for organising this dinner – and for all the work they do as co-chairs of this Group.
- They are both fantastic friends to Scotland – indeed, that’s true of everyone here today.
- And I’m very grateful to all of you for welcoming me – and for the welcome you give to other Scottish Ministers, whenever they visit.

### **Importance of Group**

- The very fact that there’s a Friends of Scotland Group - within the European Parliament – means a great deal to Scotland.
- It shows the level of goodwill that is felt towards our country, across the Parliament.
- And of course, the group is playing a vital role in helping us to retain our precious links with the EU.

### **Scotland’s commitment to EU**

- As a proudly European nation, that matters enormously to Scotland.
- Despite Brexit, we remain firmly committed to the EU and its core values.
- Fundamentally, the idea of countries working together for the common good is one which appeals to us.
- That’s why we voted overwhelmingly against Brexit.
- It’s why the SG wants Scotland to rejoin the EU, as an independent country.
- And it’s why – in the meantime – we’re doing all we can to ensure Scotland remains an open, outward looking society.
- That’s important to me personally.

- My grandparents came to Scotland from Pakistan in the 1960s – with little money, and barely speaking English. Yet they made Scotland their home.
- It's been central to my career too.
- In my first role in government, I served as Minister for External Affairs and International Development. After that, I served as Europe Minister.
- That experience has deepened my belief in the need for Scotland to:
  - engage positively with the rest of the world;
  - and – as part of that – strengthen ties with our European partners.

### **Purpose of visit / key issues**

- That's why – as my first overseas trip as First Minister – I'm visiting Brussels.
- I'm here to discuss specific areas of shared interest, where I think there Scotland can play an even greater part in wider European efforts.
- Those include:
  - helping to tackle the climate crisis and achieve energy security – in particular, through Scotland's strengths in renewables and hydrogen.
  - developing the concept of a wellbeing economy – which goes beyond GDP; and
  - strengthening the education and research ties that have been damaged by Brexit. I announced today a new pilot project – which will allow us to re-establish some of the exchange and partnership that we used to enjoy through the Erasmus scheme.

## **Praise for Group / Conclusion**

- I know these are all issues which have been a key focus for the Friends of Scotland Group.
- By taking part in SG events; supporting our visits to Brussels; and providing a voice for us in the Parliament – you're helping to ensure as close a relationship as possible between Scotland and the EU.
- So I am delighted to have the chance to meet with you all – and to thank you.
  
- I'm very keen to hear your thoughts on:
  - the priorities we share;
  - the challenges we face; and
  - how we can build on the cooperation that already exists.
- For now, I want to thank you – once again - for being here.
- Thank you for being such great friends to Scotland.
- And I look forward to what I'm sure will be a very valuable discussion.

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## EU Issues Board – April 2023 – Note of EU related statements of new FM

### 1. Purpose

- 1.1. In his first speech as leader of the SNP Mr. Yousaf said “I am a proud Scot, and equally a proud European too, and Scotland is a European nation. We want to return to the European Union and play our part in building a continent based on human rights, peace, prosperity and social justice”
- 1.2. This paper summarises a number of ambitions set out in relation to Europe by the new First Minister Humza Yousaf during his campaign to become leader of the SNP.
- 1.3. The detail of these plans, and any role of the Scottish Government in relation to them, remains to be confirmed. The board is invited to reflect on how we can support ministers in implementing this strategy, and whether there are any areas where more detail is needed in early engagement with the new cabinet.

### 2. Statements by incoming FM during leadership campaign

- 2.1. Affirmed the Scottish Government’s objective of joining the European Union as an independent state.
- 2.2. Called for a strategy to implement this, including “rebuilding ... the infrastructure to help us transition back into Europe as an independent country.”
- 2.3. As part of this strategy creating a “a permanent SNP presence in Brussels.”
- 2.4. There has already been some commentary, including from Anthony Salamone, questioning how this SNP presence would interact with SHB. Other commentators have suggested this could or should focus upon parliamentary contacts.
- 2.5. Mr. Yousaf has indicated that “We have a Scottish Government office, but that's different; it can't be political.”
- 2.6. Appointing a “senior figure”, to help lead this re-joining strategy. When asked, Mr Yousaf suggested this figure could hold a cabinet post but has not committed to this.
- 2.7. He has suggested that Nicola Sturgeon could act as a “global ambassador,” promoting these objectives, although its unclear whether this would be a distinct role from managing the “infrastructure,” of re-joining.
- 2.8. **[redacted]** – but there is now a dedicated Minister for Independence alongside the existing roles of Cabinet Secretary for Constitution, External Affairs and Culture and Minister for Culture, Europe and International Development.
- 2.9. Called for a “European summit” in Scotland. “We would intend to engage in honest dialogue with not only our fellow EU partners the Greens/ European Free Alliance, but other EU groups that are open to democracy and furthering social justice across Europe.”
- 2.10. Confirmed that the “Building a New Scotland,” papers (including on Scotland’s place in the EU) would be published.

**Extract from EU Issues Board  
13 April 2023, Note of meeting**

**[redacted]** highlighted key points in the paper for this item, which collated statements by the new FM on EU issues during the SNP leadership campaign.

- Political statements included calls for an SNP presence in Brussels, in addition to Scotland House Brussels; and calls for a 'European Summit' in dialogue with the Greens and the European Free Alliance.
- Commitments for the Scottish Government included re-affirmation of the objective for Scotland to re-join the EU as an independent state; a call for a strategy to 'rebuild the infrastructure' to re-join the EU; and confirmation that the 'Building a New Scotland' papers would be published.

**Monday 24 – Tuesday 25 April 2023**  
**First Minister London Visit**

<b>Briefing number</b>	<b>Title</b>	<b>TIME</b>	<b>PAGE</b>
	<b>Itinerary and logistics programme</b>		
	<b>Key contacts</b>		
MONDAY 24 APRIL			
<b>1</b>	Meeting with Mayor Sadiq Khan	15:30- 16:00	
<b>2</b>	Bilateral with EU Ambassador Pedro Serrano	16:45- 17:30	
	Meeting with Prime Minister Rishi Sunak	18:00 – 18:45	
TUESDAY 25 APRIL			
<b>3</b>	SDI company meeting – Tesco CEO	08:30- 09:15	
	Cabinet	10:00- 12:00	
<b>4</b>	SDI company meeting – Phoenix and Standard Life	12:00- 12:45	
<b>5</b>	Bilateral with Ukraine Ambassador Vadym Prysaiko	15:00- 15:45	
	Political Engagements	16:00- 18:30	
<b>6</b>	Private Dinner with EU and International Ambassadors hosted by German Ambassador	19:00- 21:30	

*Please note FM Comms will separately provide media briefing for the FM's media interviews and will also share a Comms plan for the visit.*

## ITINERARY AND LOGISTICS - MONDAY 24 APRIL

TIMINGS	ACTIVITY	VENUE	OFFICIAL SUPPORT	NOTES	OBJECTIVES / DELIVERABLES
14.50	Arrival – 14.50 City Airport			-	-
14.50-15.30	Travel			Time for airport arrivals and drive to City with some added contingency.	
15.30-16.00	<b>Meeting with Mayor Khan</b>	City Hall, Kamal Churchie Way London E16 1ZE	<b>SHL - John Webster SG - JP Marks</b>	<ul style="list-style-type: none"> <li>As per FM steer.</li> <li>Mayor Khan has flexibility on end time to run over by 15 mins <b>but the FM does not</b> and will need to leave promptly after the photo is taken to make his next engagement.</li> </ul>	<ul style="list-style-type: none"> <li>An opportunity to discuss common areas of interest (cost of living crisis, rent controls, devolution, climate) to facilitate co-operation.</li> </ul>
16.00-16:45	Travel to Europe House			-	-
16:45-17:30	<b>Engagement with EU Ambassador</b>	Europe House	<b>SG - John Webster (SHL) and JP Marks</b>		<ul style="list-style-type: none"> <li>A first bilateral to set out the FM's priorities for engagement with the EU and Scotland's European values.</li> </ul>
17:45	Travel to PM's Westminster office			•	•
18.00-19:00	<b>Meeting with PM Sunak</b>	PM's Westminster Office	<b>SG - John Webster (SHL) and JP Marks</b>	•	•

## TUESDAY 25 APRIL

TIMINGS	ACTIVITY	VENUE	OFFICIAL SUPPORT	NOTES	OBJECTIVES / DELIVERABLES
08:20-08:30	<b>Pre-brief with Mark Hallan, SDI</b>	Scotland House	SDI – Mark Hallan		
08:30-09:15	<b>Tesco CEO one-to-one</b>	Scotland House	SDI – Mark Hallan SG [redacted]	•	• An introductory meeting with a key figure for Scotland's retail market. Meeting to focus on targeted policy areas [redacted]
09:15-09:45	Cabinet preparation	Scotland House	PS	•	•
09:45-11:45	<b>Cabinet</b>	Scotland House	PS		-
11:45-12:00	Break/Papers	Scotland House	PS		
12:00-12:45	<b>SDI Investor meeting Phoenix and Standard Life</b>	Scotland House	SDI – Mark Hallan SG [redacted]	•	• [redacted]
12:45-13:15	Lunch	Scotland House	PS	• SHL team to order in food	-
13:15-14:30	Meet the SHL team (?)	Scotland House	TBC	•	
14:30 – 14:45	Andrew Marr LBC pre-record	Scotland House	TBC	•	
15:00-15:45	<b>Ukraine Ambassador bilateral</b>	Scotland House	SHL [redacted]	•	• An opportunity to discuss recent developments and affirm Scotland's commitment to Ukraine and support for Ukrainians.
15:45-16:00	Break	Scotland House	PS		-
16:00-16:30	Travel				
16:30-18:30	<b>Political Engagements</b>	Houses of Parliament, Westminster	N/A		-
18:30-19:00	Travel				
19:00-21:30	<b>Private Dinner hosted by German Ambassador</b>	German Ambassador's	SHL – John Webster	• As host, the German Ambassador will welcome attendees (5 mins), FM will	• Set out the First Minister's platform for international engagement to a table of top

		Residence, 22 Belgrave Square, London, SW1X 8PG		then provide opening remarks (up to 10 mins), before a Chatham House discussion of international and domestic matters chaired by the German Ambassador.	Ambassadors from EU and key international countries. <ul style="list-style-type: none"> <li>• Guest will be a mix of Ambassadors (4-5), Charge D'Affairs and Deputy Heads of Mission.</li> </ul>
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**WEDNESDAY 26 APRIL**

TIMINGS	ACTIVITY	VENUE	OFFICIAL SUPPORT	NOTES	OBJECTIVES / DELIVERABLES
08:40	<b>FM departs</b>		<b>PS</b>	<ul style="list-style-type: none"> <li>• PO to confirm timings</li> </ul>	

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## KEY CONTACTS

Name	Title/Organization	Mobile	Email
<b>SCOTTISH GOVERNMENT – FIRST MINISTER TEAM</b>			
[redacted]	Private Secretary	[redacted]	[redacted]
Emily Mackintosh	Special Adviser	[redacted]	<a href="mailto:Emily.Mackintosh@gov.scot">Emily.Mackintosh@gov.scot</a>
[redacted]	Team Leader - FM Comms	[redacted]	[redacted]
[redacted]	Visits & Events Manager	[redacted]	[redacted]
[redacted]	Police Scotland	N/A	N/A
[redacted]	Police Scotland	N/A	N/A
<b>SCOTTISH GOVERNMENT / SCOTLAND HOUSE LONDON</b>			
John Webster	Head of Scotland House London	[redacted]	<a href="mailto:John.Webster@gov.scot">John.Webster@gov.scot</a>
[redacted]	Head of Economic Diplomacy and Engagements - SHL	[redacted]	[redacted]
[redacted]	Senior Policy Advisor – UK, EU and International - SHL	[redacted]	[redacted]
[redacted]	Deputy Head - Economic Diplomacy - SHL	[redacted]	[redacted]
[redacted]	Head of Visits and Events - SHL	[redacted]	[redacted]
[redacted]	Policy Officer, Economic Diplomacy - SHL	[redacted]	[redacted]
<b>EXTERNAL VENUE CONTACTS</b>			
[redacted]	Principal Government Relations Officer, Mayor of London's Office	[redacted]	[redacted]
[redacted]	First Counsellor Political, EU Delegation	[redacted]	[redacted]
[redacted]	Political department, German Embassy	[redacted]	[redacted]

## BRIEFING NOTE 1

### MEETING WITH SADIQ KHAN, MAYOR OF LONDON

MONDAY 24 APRIL 2023

<b>Key messages</b>	<ul style="list-style-type: none"><li>• <b>Cost crisis:</b> Scotland continues to face a cost of living crisis. The current high levels of inflation, the highest in western Europe, are disproportionately hurting the most vulnerable in society and heaping more pressure onto our public services. People across our country are paying a steep price for the economic mismanagement of the current UK Government.</li><li>• <b>Climate:</b> Scotland is committed to building international recognition of subnational climate leadership through its Co-Chairship of the Under2 Coalition and we welcome efforts to further strengthen the partnership between our organisations to build a strong collective voice that advocates for subnational actors and effectively influences the global climate agenda.</li></ul>
<b>What</b>	Bilateral meeting with Mayor of London Sadiq Khan
<b>Why</b>	An opportunity to discuss common areas of interest to facilitate co-operation.
<b>Who</b>	Sadiq Khan, Mayor of London
<b>Where</b>	Private meeting room, City Hall, Kamal Chunchie Way, London, E16 1ZE
<b>When</b>	15:30-16:00
<b>Likely themes</b>	<ul style="list-style-type: none"><li>• <b>Cost of living crisis</b></li><li>• <b>Climate and green finance:</b> Subnational climate action, COP28, Loss and Damage and Scottish Government Climate Change Plan</li><li>• <b>Devolution and UK relations</b></li><li>• <b>Rent controls</b></li></ul>
<b>Media</b>	<p><b>From @ScotGovFM</b> First Minister @HumzaYousaf and @MayorofLondon @SadiqKhan met in London today.</p> <p>They discussed shared interests, including ways to collaborate to raise the profile of climate action, with Scotland and London both subnational actors.</p> <p>#LetsDoNetZero <i>Attach picture</i></p>

<b>Supporting official</b>	<b>John Webster</b> , Scotland House London <b>[redacted]</b> <b>JP Marks</b> , Permanent Secretary
<b>Attached documents</b>	Annex A – cost of living crisis and rent controls Annex B – Role of devolved governments and UK relations Annex C – climate action and green finance

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## Agenda and Summary

- The meeting was arranged at the FM's request and ties in with an offer received from Sadiq Khan within the congratulatory letter he sent (12 April) to the FM upon his appointment to meet early in his tenure. There is no set agenda for this meeting.
- In Sadiq Khan's letter of congratulations he recognised the shared pressures Scotland and London face, including the cost of living crisis, unprecedented social and economic impacts of the pandemic, and the consequences of Putin's war on Ukraine. He recognised the shared aims to tackle the climate crises and reach net zero.
- This meeting is an opportunity to reconnect with the Mayor of London since taking up the role as FM, and offers an opportunity to discuss common areas of interest (cost of living crisis, devolution, climate) to facilitate future co-operation.
- This meeting also offers a good opportunity to strengthen an existing relationship with the Mayor of London as C40 Chair. There are a number of key shared priorities relating to the climate leadership of subnational actors, including their role within international climate processes, and this meeting should explore potential for closer working between the Under2 Coalition and C40 on aligned policy areas, as well as wider collaboration up to and beyond COP28.
- The Mayor of London may also wish to ask about Scottish Government policy around rent controls. Briefing on the Cost of Living (Tenant Protection)(Scotland) Act is provided below.

**TOP LINES – COST CRISIS**

**Scotland continues to face a cost of living crisis. The current high levels of inflation, the highest in western Europe, are disproportionately hurting the most vulnerable in society and heaping more pressure onto our public services.**

- We have consistently called for the UK Government to provide additional support to people with the cost of living crisis.
- The recent UK Government Budget was a missed opportunity to tackle the cost of living crisis and provide the support that people need - the Chancellor has failed to deploy the full range of powers available to him to make a real difference to people's lives.
- The OBR has said that living standards will have fallen by 6% by the end of 2023-24 - the largest two-year fall since ONS records began in the 1950s.
- Reversal of the planned increase in the energy price guarantee is welcome but bills will still be unsustainable for many people.
- Food price inflation, at its highest since 1977, disproportionately impacts on low income households who spend a greater proportion of their income on food and essentials.

**People across our country are paying a steep price for the economic mismanagement of the UK Government, with the cost of living forcing many to choose between heating their home or eating.**

- We continue to urge the UK Government to use all the powers at its disposal to tackle the cost of living crisis on the scale required, including access to borrowing, providing benefits and support to households, VAT rates, taxation of windfall profits and regulation of the energy market.
- While the Scottish Government is doing what it can with its limited powers to ensure people receive the help they need, the UK Government could have done far more to ease the burden affecting so many, demonstrating yet again why Scotland needs the powers of independence.

**BACKGROUND - RENT CONTROLS**

**The Cost of Living (Tenant Protection)(Scotland) Act was introduced in October 2022 in response to the emergency situation caused by the impact of the cost crisis on people who rent their home in Scotland. The measures in the act protect tenants by:**

- stabilising their housing costs;
- avoid tenants being evicted from the rented sector by a landlord wanting to raise rents between tenancies during the temporary measures, and reduce unlawful evictions; and
- where possible prevent negative impacts on the health and wellbeing of tenants which might be caused by being evicted or being made homeless at a time when they are already struggling because of the cost crisis.

In order to do this, the Act put in place:

- a temporary cap on rent increases
- a temporary moratorium on evictions (a pause on enforcement of an eviction order or decree, similar to what was in place in response to the Covid-19 pandemic) except in a limited number of circumstances
- an increase to the damages which can be awarded in cases where a landlord carries out an unlawful eviction

**The legislation is time-limited, and can only be extended with the approval of Parliament, and in any event could not ever extend beyond March 2024 at the latest.**

- We continue to listen to feedback and engage with stakeholders, monitor the data and consider whether the legislation remains proportionate and necessary.

**The rent cap provisions for the private rented sector have been extended for a further six months, to 30 September.**

- From 1 April, the temporary rent cap will increase from 0% to 3%, and the landlord 'prescribed property costs' safeguard will increase from 3% to 6%, in recognition that the costs crisis may also be impacting on private landlords.

**The moratorium on evictions have also been extended for the whole rented sector for a further six months, to 30 September.**

- The moratorium is intended to pause the enforcement of an eviction except in certain circumstances.
- This provides tenants with additional protection where an eviction order/decreed is granted - giving them more time to access the support they need and to find alternative accommodation during the cost crisis.
- The moratorium complements the existing strong legal protections from evictions for Scottish tenants.
- We have sought to strike an appropriate balance between giving tenants in rent arrears, as a result of the cost crisis, additional protection and protecting landlords and tenants from accumulating substantial rental debt.
- The definition of substantial rent arrears (£2,250) is equal to or slightly in excess of 6 months' average rent in the Scottish social rented sector.
- Eviction for rent arrears in the social rented sector is a last resort. A social landlord will never evict a tenant who is engaging with them and attempting to pay their rent.

**In March 2023, the rent cap was expired in the social rented sector.**

- The aim of the agreed approach to rent setting has been to keep rent increases well below inflation to ensure that rents remain affordable, whilst still supporting continued investment.
- The agreement reached with social landlords was for average rents at 6.1% for housing associations and 6.4% for councils.

- A Scottish Housing Regulator (SHR) report published on 15 March shows average rent increases across the social sector for 2023-24 will be 5%.
- Specifically, average increase for local authorities will be 3.80% and for housing associations, 5.34%.
- The voluntary agreements reached with social landlords will keep rents well below what they are in the private market and limit rises next year, while allowing social landlords to continue investing in essential services such as home improvements and maintenance.
- The agreements are also based on the consultations which all social landlords have with tenants in advance of any rent changes.

**The ongoing cost crisis continues to place people across Scotland in an unprecedented economic position.**

- The Emergency Act, with the further amendments set out in the instruments that were agreed by Parliament in early March, strikes an appropriate and proportionate balance between the public interest in the form of protection for tenants during the current economic situation, and the rights of landlords to use their property.
- The emergency legislation does not affect initial lets of new supply, which continue to be set by the market.

[redacted]

Key Current Developments

- **Gender Recognition Reform Bill (Section 35 Order)** – In January, the Secretary of State for Scotland made an order under section 35 of the Scotland Act 1998 which prohibits the Presiding Officer from submitting the Bill for Royal Assent. On 19 April, we published our legal arguments to overturn the UKG’s block on this legislation. We have challenged the Section 35 order on the basis that: the Secretary of State for Scotland made a "material error of law"; that his concerns about the safeguards in the Bill were "irrelevant" to the order's making; and that his reasons were "inadequate", which would make the order "unlawful"
- **The Scottish Deposit Return Scheme (DRS)** – On 18 April, FM announced a postponement to the introduction of Scotland’s deposit return scheme. That said, we remain committed to the scheme as a way to increase recycling, reduce litter and help achieve our net zero ambitions. We recognise the uncertainty that continues to be created as a result of the UK Government delaying the decision to exclude the scheme from the Internal Market Act. We had hoped for that decision this week - but it has not come. So in order to allay concerns over the scheduled introduction of the scheme, we will now delay the launch of the scheme to the 1st of March 2024. This provides 10 months for businesses to get ready
- **[redacted]**
- **The UK Government’s Retained EU Law Bill** - UKG plans to repeal retained EU law may lead to damaging deregulation which – directly or via the Internal Market Act – will undercut Scottish standards. Efforts to seize “Brexit Opportunities” may be rushed and implications not fully explored. The Scottish and Welsh Governments have written to the Prime Minister regarding their concerns about the impracticability of the proposed sunset of all REUL by the end of 2023. The Bill was due to start its House of Lords report stage on 19 April but has been delayed.

[redacted]

**DEVOLVED ACTION ON CLIMATE CHANGE**

**Suggested discussion points**

**Subnational Climate Action:**

- Scotland secured a second term as European Co-Chair of the Under2 Coalition in 2022. Our priority is to support members in delivering their climate goals through extensive knowledge exchange and capacity building, while providing robust, positive political leadership to build the influence of the Coalition in international climate processes.
- We see great value in strengthening partnerships between subnational climate organisations to align our climate action, address shared barriers in delivering effective climate action and support our members in delivering on the goals of the Paris Agreement.

**[redacted]**

**Loss and Damage:**

- It is disappointing that the recognition of loss and damage at COP27 has not been matched by greater action to prevent a worsening of the climate crisis.
- As the Transitional Committee considers how the UN fund and other funding arrangements should proceed, it is vital we maintain focus on the needs of the most vulnerable and on ensuring that the structures that emerge are suitable to meet these.
- The Scottish Government is particularly keen to platform and learn from experiences of loss and damage at a subnational level and was pleased to welcome a C40 representative as a speaker at the Scottish Government's 2022 conference: *Practical Action: Addressing Loss and Damage*.

**[redacted]**

**COP28:**

- Ahead of COP28, we will continue to demonstrate the leading action that smaller governments can take in pursuit of global climate goals and work to secure greater recognition from parties to the UNFCCC of the contribution that states, regions and devolved governments make towards climate action.

**Scottish Government Climate Change Plan:**

- We are closely considering how behaviour change can support the actions necessary to deliver our Climate Change Plan, including in our transport, buildings and waste sectors.
- We also know that there will be a big challenge ahead in gaining public support for the transformational measures necessary to meet net zero.

[redacted]

## **BACKGROUND**

### **SUBNATIONAL ACTION**

- Scotland is committed to building international recognition of subnational climate leadership through its Co-Chairship of the Under2 Coalition and providing its members with the support they need to deliver on the goals of the Paris Agreement.
- We welcome efforts to further strengthen the partnership between our organisations to build a strong collective voice that advocates for subnational actors and effectively influences the global climate agenda.

### **SCOTLAND'S JOURNEY COP26 TO COP27**

#### Domestic Climate Change

- Scotland met its statutory greenhouse gas emissions reduction target for 2020 and we have halved our greenhouse gas emissions since 1990.
- We are committed to co-design of our Just Transitions plans to support our wider work to reach Net Zero, ensuring the transition to renewable energy generates jobs, and fairly benefits Scottish people and communities. We engaged over 1,200 people from the oil and gas sector, NGOs and communities in the Energy Strategy Just Transition Plan consultation this summer. We will publish the strategy in consultation form by the end of 2022.
- Launched the Just Transition Fund, with over £20m pledged to selected projects in the NE and Moray by the end 22/23 financial year.
- We published Scotland's indicative Nationally Determined Contribution ahead of COP26 and have also published Scotland's first Nitrogen Balance Sheet.
- Launched the Green Growth Accelerator with 6 low carbon infrastructure pathfinder projects now under development.
- Strengthened public sector reporting regulations.
- Published the Public Engagement Strategy for climate change, which informs how we communicate with the Scottish public about climate change.
- Launched the one stop shop NetZeroNation.scot website and implemented an award winning multi-channel 'Let's Do Net Zero' public awareness campaign, which engaged 95% of all adults in Scotland.
- Worked with the UK Government and other Devolved Administrations on a UK-wide Emissions Trading Scheme, with the aim of incentivising and supporting industry to decarbonise.
- We are the first country in the world to set out a National Just Transition Planning Framework.
- Our plans also indicate around £18 billion of capital investment over the period to 31 March 2026, which will be used to fund capital programmes across portfolios including improvements in Scotland's transport network, the NHS and wider public sector estate,

affordable housing and the shift to a low carbon economy, with over half a billion of additional funding directed to net zero programmes, compared to previous plans.

## **GREEN INVESTMENT PORTFOLIO**

### **TOP LINES**

- The Green Investment Portfolio promotes projects that will help Scotland transition to a net-zero economy by 2045 and are seeking private capital.
- The Portfolio is designed to encourage private investment into projects with a commercial return. We want to raise Scotland's profile on the international stage, creating a higher turnover of capital and stimulating investment.
- We have met our commitment to expand our Green Investment Portfolio, bringing together market-ready projects worth at least £3 billion by the end of 2022.
- The Portfolio has a current value of approx. £3.7bn, with around £300m private investment already invested into projects and approx. £875m currently under offer or in active discussions.
- The expanded Portfolio allows us to present new projects which demonstrate that Scotland is a world leader in future and innovative green industries which will help us achieve net zero.
- By assessing these projects before they go to market, the Portfolio provides investors with the confidence they need to back credible and sustainable projects in Scotland.
- Promoting the range of opportunities within this Portfolio plays a key role in delivering on our Global Capital Investment Plan in attracting and retaining capital investment flows into priority areas of our economy.

[redacted]

### **The GIP is designed to encourage private investment into projects with a commercial return.**

- There are currently a limited pool of capital investors active in Scotland. The GIP will address this information asymmetry, raising the profile of Scotland and its projects on the international stage, creating a higher turnover of capital, and therefore more investment.
- This portfolio aims to encourage international capital markets to contribute directly to efforts to combat climate change, creating jobs and generating sustainable economic growth.
- It will support and complement investments we are making ourselves, in infrastructure and through the Scottish National Investment Bank.

### **Immediate action is needed to address the climate emergency and meet Scotland's ambitious carbon reduction targets.**

- We want to highlight exciting green investment opportunities, showcasing Scotland as a place that meets investors' growing demand for sustainable projects.
- Central banks are pushing for investment houses to report the proportion of their investments held in green and brown investment. Our portfolio aligns with these principles.

- The Scottish Government will also continue to work with the UK Government on issues like the Sustainability Disclosure Requirements, the UK Green Taxonomy, and the Green Finance Strategy in order to support and encourage high-integrity private investment into green and sustainable sectors.

### **Private investment in natural capital**

- The natural capital concept recognises that, alongside its intrinsic value, our natural environment is an **asset that provides vital benefits** to society and economy. Scottish Government is committed to a natural capital approach and recognises the need to invest in our natural environment in order to maintain, restore and enhance the benefits it delivers to Scotland's people.
- Scottish Government is making large scale public investments in nature-based solutions like peatland restoration and woodland creation. Nevertheless, the Green Finance Institute (GFI) has estimated a **nature finance gap** for Scotland of £20 Billion over the current decade to deliver our policy ambitions.
- So we know that **responsible private investment** in Scotland's natural capital will be essential to meet this funding gap and deliver our climate change and land and marine policy objectives at the necessary pace and scale.

### **Financial Services have a key enabling role in supporting the transition and this is a significant growth opportunity for Scotland's strong financial services sector.**

- The Scottish Government is already working with the UK Government on issues like the Sustainable Disclosure Requirements and the UK Green Taxonomy in order to combat greenwashing, and support and encourage high integrity private investment into green and sustainable sectors aligned to Scottish Government policy.
- Scotland can play a decisive role in helping the UK achieve its goal to become the world's first Net Zero Financial Centre.
- At Scotland's COP26 in 2021 the industry declared its collective ambition to mobilise finance through the Glasgow Financial Alliance for Net Zero (GFANZ).
- **[redacted]**
- The Scottish Government has convened a Taskforce for Green and Sustainable Financial Services. Industry leaders will develop a roadmap for Scotland to compete as a centre for green and sustainable financial services.
- We welcome the references made by the updated Strategy to the inclusion of adaptation and natural capital as a focus for private investment, and look forward to working with UKG to progress this.
- The Strategy commits to launch a review that considers what the UK financial and professional services ecosystem needs to do to become a leading provider of transition financial services and innovative instruments on the pathway to 2050. Given the importance of the financial services industry to Scotland, the Scottish Government would expect full representation of the Scottish industry - with its unique needs and strengths - on this Transition Finance Market Review


- The Scottish Government supports the principles underpinning the green taxonomy but does not support the building of new nuclear power stations in Scotland. Given that new nuclear power will take years, if not decades, to become operational and will be expensive, we do not believe classifying nuclear as sustainable or transitional should be our focus

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## BRIEFING NOTE 2

### BRIEFING FOR THE FIRST MINISTER MEETING WITH PEDRO SERRANO, EU AMBASSADOR TO THE UK MONDAY 24 APRIL 2023

<b>Key message</b>	<ul style="list-style-type: none"><li>• Delighted to meet the Ambassador ('Your Excellency') as an early engagement since appointment as FM. We hope to enjoy with him as constructive a relationship as we had with his predecessor.</li><li>• Scotland remains a proud European nation. Our vision of Scotland is as an outward-looking nation, committed to good global citizenship, with a strong, respected voice in the world.</li><li>• Scotland voted overwhelmingly to remain in the European Union. We want the closest possible relations with the EU and our European neighbours based on shared values: human dignity, freedom, democracy, equality, the rule of law, and respect for human rights.</li><li>• We are committed to aligning with EU laws and standards wherever we can – and will continue to do so. Our recent three year policy vision for Scotland reaffirms our continued commitment to EU alignment.</li><li>• We have continually encouraged negotiated solution to issues surrounding the Northern Ireland Protocol. We are cautiously hopefully that the Windsor Framework will mitigate some the damage caused by Brexit, and allow progress to now be made on other agendas, such as Horizon Europe.</li></ul>
<b>What</b>	<ul style="list-style-type: none"><li>• Meeting</li></ul>
<b>Why</b>	<ul style="list-style-type: none"><li>• Opportunity to meet the EU Ambassador to the UK and express the Scottish Government's desire to continue working closely with the EU.</li></ul>

<p><b>Who</b></p>	 <p><b>Pedro Serrano – EU Ambassador to the UK</b>  Chief of Staff to the European Union’s High Representative for foreign affairs and security policy and EC Vice President Josep Borrell Fontelles until October 2022, his previous roles include that of Deputy Secretary General for Common Security and Defence Policy and Crisis Response at the European External Action Service (EEAS) and Diplomatic Advisor to the President of the European Council Herman Van Rompuy. Pedro Serrano was also the first EU Ambassador to the United Nations, in New York, after the entry into force of the Lisbon Treaty.</p> <p>Born in Madrid, Spain, Pedro Serrano is married and has two daughters.</p>
<p><b>Where</b></p>	<p>Europe House, 32 Smith Square, London SW1P 3EU</p>
<p><b>When</b></p>	<p>Monday 24 April 16:45-17:30</p>
<p><b>Likely themes</b></p>	<ul style="list-style-type: none"> <li>• UK/EU relations</li> <li>• Scottish continued engagement with EU, including education and cultural exchange</li> </ul>
<p><b>Media</b></p>	<p>Tweet From @ScotGovInter; RT from @ScotGovFM, @ScotGovLondon. Picture required.</p> <p><i>At Scotland House London, First Minister @HumzaYousaf and EU Ambassador @PedroSerrano held an introductory bilateral meeting.</i></p> <p><i>They discussed @ScotGov’s close ties with the EU and our European neighbours based on shared values like democracy, equality and respect for human rights.</i></p>
<p><b>Supporting official</b></p>	<p><b>John Webster</b>, Scotland House London  <b>[redacted]</b>  <b>JP Marks</b>, Permanent Secretary</p>
<p><b>Attached documents</b></p>	<ul style="list-style-type: none"> <li>• Annex A - EU-UK relations</li> <li>• <b>[redacted]</b></li> <li>• Annex B - EU Updates</li> <li>• Annex C - European Commission Work Programme</li> <li>• Annex D - EU Programmes (Erasmus/Horizon)</li> </ul>

## Agenda and summary

A formal agenda has not been suggested by the Ambassador's team. Discussions between Mr Serrano's officials and Scotland House London provide an indication that the Ambassador expects the following to be discussed.

- Scotland's European values
- UK/EU relations, including Trade and Cooperation Agreement
- Developments such as the Windsor Framework and latest status of Horizon Europe association

### Desired outcomes

- This meeting represents an excellent opportunity for the First Minister and the Ambassador to meet for the first time. The Ambassador is keen to meet with the FM, and this is a strong early opportunity to amplify the outward-looking pro-European messaging the FM outlined in the three year Policy statement.

### Recent engagement

- The Former First Minister met with Ambassador Serrano in Edinburgh on 6<sup>th</sup> February. This was both the Scottish Government's most recent ministerial engagement with Ambassador Serrano, and the first time the Ambassador had met the FFM since being appointed.

### Sensitivities

- **[redacted]**

### LINES TO TAKE

- Very glad to have the chance of this meeting so early in my period of office as First Minister of Scotland.
- You will know that the people of **Scotland did not vote for Brexit**, and it is the policy of the Scottish Government for Scotland to re-join the EU as an independent country.
- In the meantime we will **align with EU laws and regulations**, wherever this is consistent with Scottish interests.
- We welcome the agreement of the **Windsor Framework [redacted]**
- Following this agreement, we hope progress can be made **on mitigating some of the damage caused by Brexit** and improving the Trade and Cooperation Agreement.
- These include:
  - Association with the **Horizon Programme**, which has been of immense benefit to Scotland;
  - An agreement to allow barrier free trade in **agrifood products**, an important area to Scotland where the need to meet EU SPS requirements has damaged producers' trade;
- **[redacted]**

### UK Government Retained EU Law (Revocation and Reform) Bill

- **[redacted]**

### BACKGROUND

#### Timeline and structures/Trade and Cooperation Agreement

- Following the UK vote to leave the EU in 2016, lengthy negotiations led to the EU-UK Withdrawal Agreement being agreed on 17 October 2019, and entering into force on 1 February 2020. The Agreement included the Protocol on Ireland and Northern Ireland, which has now been largely superseded by the Windsor Framework, agreed earlier in 2023.
- Further negotiation led to the EU-UK Trade and Cooperation Agreement (TCA) being signed on 30 December 2020, and entering into force on 1 May 2021. It is the TCA which effectively governs the arrangements for post-Brexit trade between the UK and EU.
- Scotland has crucial interests at stake in relation to the TCA, the Withdrawal Agreement, and the Windsor Framework. Due to the protracted dispute over the NI Protocol, key aspects of TCA implementation – and crucially, scope to build on the TCA framework – have stalled over the last two years, with significant, detrimental impact in Scotland.
- **[redacted]**
- Governance of the TCA takes place through 18 Specialised Committees which cover the various chapters of the treaty. These can if necessary escalate issues to the treaty's

Partnership Council, jointly chaired by Foreign Secretary James Cleverly and Commission Vice President Maroš Šefčovič.

- At official, and ministerial level, we will be pressing the UK Government to seek progress through the 2023 series of treaty meetings, while also seeking to ensure appropriate participation for Scottish Government participants in the preparation of agendas, conduct of meetings, and follow up activity.
- The following areas are examples of priorities where the Scottish Government would like to see progress made in relation to the TCA, and where we would urge the UK Government to work with us to seek improvements. **[redacted]**

### **Improvements to treaty implementation**

- **[redacted]**
- **Touring creative professionals.** There remains a need for a better solution for this group. The complications over separate visas and permits for different legs of a tour, and cabotage rules are highly disruptive for touring shows that need to transport props, instruments, and equipment. SG has repeatedly called on UKG to negotiate with the EU to seek visa-and work permit-free arrangements for cultural and creative professionals working in EU countries on a short-term basis, for activities including touring.

- **[redacted]**

### **Treaty improvement (or separate agreement)**

- **[redacted]**

### **Retained EU Law**

- **[redacted]**

### **EU UPDATES**

### **ANNEX B**

### **LINES TO TAKE**

- Scotland remains a proud European nation. Our vision of Scotland is as an outward-looking nation, committed to good global citizenship, with a strong, respected voice in the world.
- Scotland voted overwhelmingly to remain in the European Union. We want the closest possible relations with the EU and our European neighbours based on shared values: human dignity, freedom, democracy, equality, the rule of law, and respect for human rights.
- **[redacted]**

### **BACKGROUND**

## Swedish Presidency

Sweden has the Presidency of the Council of the EU until June 2023. They are the last of the current trio programme, which included France and the Czech Republic. The next trio will be Spain (July-December 2023), Belgium (January-June 2024) and Hungary (July-December 2024).

Sweden's four main priorities are:

1. Security – unity: including further support to Ukraine.
2. Competitiveness: including marking the 30th anniversary of the single market.
3. Green & energy transitions: includes addressing the energy crisis.
4. Democratic values and the rule of law: in the EU and globally.

[redacted]

## Horizon Europe

[redacted]

## UKG Human Rights Act Reform

[redacted]

## Data Protection

[redacted]

## EUROPEAN COMMISSION WORK PROGRAMME

## ANNEX C

### LINES TO TAKE

- The Scottish Government published Scotland's perspective on the European Council's Strategic Agenda for 2019-2024, setting out how Scotland sees the EU strategic priorities and how and why they matter for Scotland.
- We continue engaging with each EU presidency on how Scotland can promote and work towards the presidency's goals and themes, whilst reaffirming Scotland's pro-European position and plans for future engagement.
- The priorities outlined in the Commission's Work Programme map across our own ambitions and plans as set out in the Scottish Government's Programme for Government and Scotland's National Performance Framework, which are firmly rooted in the international framework of the UN Sustainable Development Goals and aligned with the EU's agenda.

## BACKGROUND

The European Commission set out its priorities for 2023 in the Commission Work Programme (CWP) - *A Union standing firm and united*, including a list of future legislative and non-legislative proposals to take forward the priorities set out in the EU Strategic Agenda.

The European Commission's headline ambitions highlighted in the CWP 2023 include:

- A European Green Deal
- A Europe fit for the Digital Age
- An Economy that Works for People
- A Stronger Europe
- Promoting our European Way of Life
- A New Push for European Democracy

## **EU PROGRAMMES: ERASMUS/HORIZON**

## **ANNEX D**

### **LINES TO TAKE**

#### *On Horizon*

- The Scottish Government is keen to see swift progress in areas which would bring mutual benefits to Scotland, the UK and the EU, including rapid legal association to the vital Horizon Europe research programme.
- We will be pressing for progress on these issues, and a range of other Scottish priorities, through the 2023 series of EU-UK Trade and Cooperation Agreement governance meetings.

**[redacted]**

### **BACKGROUND**

#### **Horizon Europe Programme**

Horizon Europe is a prestigious €95.5 billion European programme which funds world leading research, innovation and international partnership building. Scotland has been highly successful in the programme, winning around €870 under Horizon 2020 between 2014-2021 - the largest per head share of any UK nation under the Horizon programme. Discussions over the UK's future in the programme have been on-going for more than two years following Brexit and have been tied up in wider political matters including the Northern Ireland protocol. Following the 'Windsor Framework' agreement, formal negotiations are due to recommence shortly led by the UKG's Treasury.

**[redacted]**

#### **Erasmus**

[redacted]

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## BRIEFING NOTE 3

### MEETING WITH JASON TARRY, CEO, TESCO

TUESDAY 25<sup>th</sup> APRIL 2023

<b>Key message</b>	Recognise Tesco as a large employer in Scotland, the valuable support they provide to customers through current cost crisis and <b>[redacted]</b>
<b>What</b>	Meeting with Jason Tarry, CEO UK and ROI for Tesco
<b>Why</b>	A meeting with Tesco was planned with former FM, which was postponed. Then, Mr Tarry wished to discuss the cost crisis and Tesco's response to it. <b>[redacted]</b> and they will also be interested in discussing the detail of the announcement on delaying the Deposit Return Scheme to 2024.
<b>Who</b>	Jason Tarry, CEO UK and ROI, Tesco Tony McElroy, Head of Comms & Devolved Government Relations
<b>Where</b>	Scotland House, Victoria Embankment, London
<b>When</b>	08:30-09:30, Tuesday 25 <sup>th</sup> April 2023
<b>Likely themes</b>	<ul style="list-style-type: none"><li>• <b>[redacted]</b></li><li>• Update on Deposit Return Scheme (DRS)</li><li>• Current trading/operating environment</li></ul>
<b>Media</b>	This will be covered in a separate Comms plan, which will be discussed with policy leads
<b>Sensitivities</b>	<b>[redacted]</b>
<b>Supporting official</b>	<b>Mark Hallan</b> , Global Investment Director, SDI <b>[redacted]</b> Deputy Head Economic Diplomacy, SHL
<b>Attached documents</b>	<i>Annex A- [redacted]</i> <i>Annex B- Deposit Return Scheme (DRS)</i> <i>Annex C – Additional Policy Lines [redacted]</i>

## Summary/Background

- Tesco is a significant inward investor in Scotland. With a 27.5% share of UK's grocery market, Tesco operates 3,822 stores in the UK and Republic of Ireland (ROI). It also operates a wholesale business, Booker. In addition to retail, there is Tesco Bank and Tesco Mobile.
- In Scotland, Tesco operates 216 stores and employs over 30,000 personnel. The stores are serviced from a central Distribution Centre in Livingston operated by a 3,000 strong team.
- After a successful Christmas trading period in 2022, UK and ROI revenues increase by 6.1% to £19.7bn. Anticipated adjusted operating profit from retail to be between £2.4bn and £2.5bn for the full year.
- Tesco's Community Food Connection is the biggest supermarket surplus food redistribution scheme in the UK, donating 145 million meals since 2016 and with stores regularly supporting 3,900 charities, including FareShare.
- Regarding net zero ambitions, Tesco is working towards being carbon neutral by 2035 and net zero from farm to fork by 2050. It redistributes 83% of unsold food that is safe to eat.
- Tesco operate a 200+ vehicle fleet out of Livingston (HGV's, Vans, 500 manual handling vehicles, 400+ Home Delivery vans).
- **[redacted]**
- Tesco is involved in routine meetings of large supermarkets, the Food Standards Scotland, Retail Industry Leadership Group and attended the Food Retail Summit Nov '22 attended by former Cabinet Secretaries for Rural Affairs, Social Justice, and the Minister for Public Finance, Planning and Community Wealth.
- Scottish Enterprise Account Manager, **[redacted]** is in regular conversations **[redacted]**

## Meeting Attendees



### **Jason Tarry, CEO UK and ROI**

Responsible for all businesses in the UK & ROI, appointed in 2018. Joined in 1990 as graduate and held a number of positions in UK and internationally across both food and non-food divisions.



### **Tony McElroy, Head of Comms & Devolved Government Relations**

Leads Tesco's sustainability campaigns, communications and government relations.

[redacted]

**ANNEX A**

[redacted]

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**We must take bold and ambitious action to tackle the climate emergency. Our Deposit Return Scheme will be a major part of our efforts to reduce littering, cut emissions, and build a more circular economy.**

- This government remains committed to DRS. However recognises the uncertainty that continues to be created as a result of the UK Government delaying the decision to exclude the scheme from the Internal Market Act.
- We have been listening to businesses about their concerns. That is why we announced that we are delaying the launch until 1 March 2024, giving businesses 10 months to prepare for the scheme.
- We understand that this is a big change for businesses to manage and retailers and small producers have specifically called for a delay. The Circular Economy Minister will provide further details to parliament later today on the timeline for the scheme and further support for businesses.

**Our scheme will reduce littering by a third and increase recycling rates of single-use drinks containers towards 90%.**

- The scheme will reduce CO<sub>2</sub> emissions by 4 million tonnes over 25 years – the equivalent to taking 83,000 cars off the road.
- The scheme has already delivered hundreds of millions of pounds of investment across Scotland and is creating over 500 new green jobs.
- The Circular Economy Minister, government officials and Circularity Scotland continue to meet regularly with industry to ensure a pragmatic approach to the implementation of DRS.

### **Implementation Costs to Retailers**

**We are working with industry to ensure that there are pragmatic approaches to implementation and, in direct response to feedback from retailers, a number of measures have been introduced.**

- The retailer handling fee – the amount a retailer will be paid per container to cover their operational costs as a return point – was increased by up to 19% .
- Scotland's deposit return scheme offers the highest retail handling fee compared to other deposit return schemes around the world.
- Businesses should contact Circularity Scotland for advice and support if they have any concerns.

**Under the DRS Regulations, payment terms are entirely a commercial matter between Circularity Scotland and retailers.**

**Scottish Government and Scottish Ministers were not, and should not, be consulted on such commercial arrangements between private companies.**

- Last month was the first time that Circularity Scotland has issued a commercial contract for retailers setting out payment terms.
- The payment terms have been informed by other DRS schemes around the world and Circularity Scotland held discussions with industry representatives in advance of issuing the contract.
- Payment terms do not represent a change from the information submitted in Circularity Scotland's draft operational plan and assessed as part of their application to be a scheme administrator.

### **Retailer Registration & Exemptions**

- Retailers can now register with Circularity Scotland as a return point.
- Smaller retailers can apply to be exempt from being a return point for environmental health reasons such as the footprint of the premises or where they have an agreement with another nearby return point to take back containers on their behalf.
- However, many small retailers want to be part of the scheme as this will attract footfall to their businesses.
- We have proposed to bring forward amendments to the DRS regulations so that only the largest grocery retailers will initially be obliged to provide an online takeback service and all other businesses will be exempt (further work will be undertaken to identify how elderly and disabled people will be protected during this phasing-in of online takeback).

**Scottish Government is keen to support key inward investors, like Tesco, deliver projects in Scotland [redacted]**

- Scottish Government's Inward Investment Plan (IIP) sets out its ambition for Scotland as a leading destination for inward investment aligned with its values as a nation.
- It's clear, evidence-based approach considers Scotland's strengths, global inward investment flows and Scotland's values around fair work, net zero and sustainable and inclusive economic growth, and identified nine opportunity areas for a new strategic focus – one of which is Decarbonisation of Transport.
- Clean-tech projects accounted for 6.1% of all UK inward investment supported projects in 2020, with Scotland and London attracting the highest number of projects at 11 each.
- Scotland is a highly attractive location for investment in renewables - from the emerging Hydrogen Coast, running from Orkney to Aberdeen and Fife, to Scotland's competitive advantage in Carbon Capture Storage based on the built and natural assets of the North Sea oil and gas industry.

[redacted]

**Road Freight- Decarbonisation**

- Large businesses are already moving to zero emission vans for deliveries where they can, and in dense urban areas, cargo bikes and parcel lockers are increasingly common.
- Scottish Government's Zero Emission Truck Taskforce will identify and overcome hurdles to the transition, seizing opportunities for Scottish innovation.
- Scotland's freight and logistics sector is complex and comprised of both large and small businesses. We are committed to a Just Transition to net zero for all sectors.
- [redacted]
- In Scotland, we are working with industry to provide a pathway towards helping meet the target and chiefly through the work of the Zero Emission Truck Taskforce (ZETT) which is developing collaborative actions that will be required to transition to zero emission HGVs, [redacted]

**BRIEFING NOTE 4**

**SDI COMPANY MEETING WITH PHOENIX GROUP (PHOENIX AND STANDARD LIFE)**

**Tuesday 25<sup>th</sup> April 2023**

<b>Key messages</b>	<p><b><u>Scotland’s role in supporting Phoenix Group’s growth strategy</u></b></p> <ul style="list-style-type: none"> <li>• Acknowledge importance of existing relationship and Phoenix Group’s impact on the Scottish economy, highlighting a <b>shared purpose &amp; driven focus</b> on delivering better outcomes for customers, colleagues, investors and wider society, transition to a low carbon/net zero economy and <b>investing in a sustainable future</b>.</li> <li>• Would like to discuss future strategy for Scotland, specifically how ongoing business transformation will impact on Scottish operations. Highlight willingness to collaborate to support future growth.</li> <li>• <b>Emphasise the Scottish Government’s new policy prospectus and vision for a wellbeing economy</b> – economic growth with a purpose, to drive improved living standards, promote wellbeing, reduce poverty, and to deliver sustainable high quality public services.</li> </ul>
<b>What</b>	Introductory meeting with CEO of Phoenix Group & CEO of Savings & Retirement
<b>Why</b>	Continue to develop relationship/seek insights on growth aspirations and opportunities for Scotland.
<b>Who</b>	<ul style="list-style-type: none"> <li>• Andy Briggs MBE, CEO of Phoenix Group</li> <li>• Andy Curran, CEO of Savings and Retirement (&amp; Group Director of Scotland), Phoenix Group</li> <li>• Tim Fassam, Director of Public Affairs, Phoenix Group</li> </ul>
<b>Where</b>	Arran Room, Scotland House, Victoria Embankment, London
<b>When</b>	12:00 – 12:45, Tuesday 25 <sup>th</sup> April 2023
<b>Likely themes</b>	<ul style="list-style-type: none"> <li>• Tackling UK Savings Gap</li> <li>• Investing in a sustainable future</li> <li>• Future strategy for Scotland.</li> <li>• Innovation &amp; Technology</li> </ul>
<b>Sensitivities</b>	[redacted]
<b>Media</b>	n/a
<b>Supporting official</b>	<b>Mark Hallan</b> , Director, Global Investment, Scottish Development International [redacted] Scotland House London, Scottish Government

<b>Attached documents</b>	Annex A: Suggested Points to Make Annex B: Background Annex C: Company Profile, Recent Engagement Annex D: Biographies
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## SUGGESTED POINTS TO MAKE

## ANNEX A

- **Position Scotland as the location of choice** to support strategic growth priorities, **world-class FS and Tech ecosystem.** (*we can support their aspirations around talent, tech, and data developments*)
- **Focus on diversity & inclusion** – economic benefits associated with making working more flexible/attractive to a wider group of people, e.g. unlocking experience & skill set of older workers to plug skills gaps and address recruitment challenges. (*Andy Briggs, CEO is the UK Government Business Champion for Older workers*)
- **[redacted]**
- **The Scottish Government continues to engage with Phoenix Group through:**
- FISGAD (Financial Services Growth and Development) which is the main forum for engagement between the Financial and Professional Services industry and Scottish Government. Phoenix Group is represented by Andy Curran.
- The Scottish Taskforce for Green and Sustainable Financial Services – on which Phoenix Group is represented by James Wilde.

### The City of London

- In January 2023, the Phoenix Group hosted Scottish Government, the Lord Mayor of London, and the wider City of London delegation for a series of high-profile engagements, which covered a range of strategic such as Green and Sustainable Finance, Financial Inclusion, and Growth Capital and Asset Management.
- The formal partnership between the City of London and the Scottish Government has flourished in recent years – benefitting from the commitment of successive Lord Mayors and the previous First Minister. It is based on a shared understanding that the financial sectors of Scotland and London have more to gain from co-operating and coordinating, than competing.
- **[redacted]**

**STRATEGIC CONTEXT**

- Scottish Enterprise has been working with Phoenix Group since 2018, following the **£3.28bn** acquisition of Edinburgh based Abrdn (formerly Standard Life Assurance) and the expansion of a long-established strategic partnership with Abrdn, which involves Phoenix using Abrdn Asset Management Services to support their ambitious growth strategy and focus on Workplace and Customer Savings and Investments.
- Having acquired the insurance business of Abrdn, Phoenix went on to acquire the Standard Life brand in 2021 ahead of SLA's rebrand to Abrdn and move to focus primarily on Global Asset management services.
- **[redacted]**
- Andy Briggs, Group CEO of Phoenix Group is a Government Business Champion for Older Workers, he is encouraging government to work with employers to ensure they have inclusive recruitment policies and encourage much more flexible ways of working.

**[redacted]**

## COMPANY PROFILE

## ANNEX C

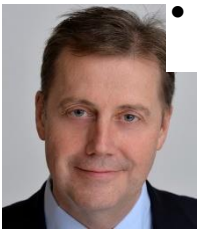
- London headquartered Phoenix Group has over 240 years of experience and is the UK's largest long-term savings and retirement business c.12m customers and £259bn assets under administration.
- Key brands: Phoenix Life, Standard Life, ReAssure, SunLife, Phoenix Wealth & Phoenix Ireland with c. 6,800 UK employees of which **c.1,800 staff are based in Scotland**.
- Phoenix Group is focused on being a force for good in society, helping to solve some of the biggest social and environmental challenges, **leading the way in tackling the UK's savings gap** and supporting people in their journey to and through retirement, providing solutions to their long-term savings and retirement needs.
- Committed to investing in a sustainable future, **pledged to transition portfolio to net zero by 2050**. c.80% reduction in the carbon emission intensity of own operations since 2019.
- Despite the challenging economic backdrop in 2022, Phoenix Group made solid progress across all areas of their strategic priorities. Delivering, cash generation of £1.5 billion, with record new business growth of £1.2 billion, and inorganically, with the cash funded acquisition of Sun Life of Canada UK.
- Sustainability is embedded across the business and they are committed to putting the Planet and People at the heart of everything they do, firm focus on tackling climate change and making retirement provision fit for the twenty first century.
- Phoenix Group shortlisted FTSE Board of the Year 2023, awards celebrate the progress made in fighting for inclusion at leadership level.)

## RECENT ENGAGEMENT

- Scottish Enterprise had a quarterly update with Phoenix Group (Jan 2023) - **[redacted]** Key contact in Scotland, **[redacted]**, Workplace MD, member of Senior Management Team.
- Scottish Enterprise initiated joint meeting with Phoenix Grp and TCS/Diligenta (March 2023) to discuss strategic partnership, review opportunities to **[redacted]** focus on retaining key skills/roles in Scotland and providing access to talent pipeline which will support future growth.
- SDI Capital Investment team have been introduced to **[redacted]**, Head of Sustainable Investments at Phoenix Group. **[redacted]** is in regular contact and participated in the two Capital Investment/ESG round table sessions hosted by the Cabinet Secretary and Catherine McGuinness, Chair of Policy & Resources Committee, City of London. Co. (one of the discussion points centred on how Scotland can collaborate with the investment industry to create joint capability in the planning, structuring and financing of the large scale investments required for the transition to net zero).
- SDI Capital Investment team also introduced to **[redacted]**, Head of Private Debt Direct at Phoenix Group. Conversations ongoing regarding Phoenix Grp £20bn/5yr investment strategy, appetite for risk etc. **[redacted]**

- Phoenix Group built out a new Innovation Hub within their Edinburgh premises, **[redacted]**

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**Andy Briggs MBE, CEO of Phoenix Group**

- Andy Briggs, MBE, was appointed Group Chief Executive Officer (designate) of Phoenix Group on 1 January 2020.
- Mr Briggs has over 30 years of insurance industry leadership experience and is a qualified actuary.
- He was Group Chief Executive of Friends Life, the listed insurer, Managing Director of Scottish Widows, Chief Executive of the Retirement Income division at Prudential and Chairman of the ABI. Most recently he was CEO UK Insurance of Aviva plc until April 2019.
- He is a Trustee and Chair of the Income Generation Committee of the NSPCC and also serves as the Government's Business Champion for Older Workers and the Age Grand Challenge.

**Andy Curran, CEO of Savings Retirement, Phoenix Group**

- Andy is Chief Executive Officer of the Phoenix UK and European Savings and Retirement business, Group Director Scotland, and the Chair of the Long Terms Savings Committee of the ABI.
- Andy has over 30 years of life and pensions experience – most recently as Managing Director Corporate, Aviva UK Insurance, accountable for Aviva's UK Corporate businesses.
- Andy has held senior positions at Prudential and was UK Chief Executive Officer for FriendsLife.

**Tim Fassam, Director of Public Affairs, Phoenix Group**

- Tim Fassam was appointed Public Affairs Director of Phoenix Group August 2022.
- Tim was previously with PIMFA, the trade association for financial advisors and wealth managers, where he was Director of Government Relations and Policy. He has worked for TheCityUK as Managing Director, Public Affairs, Policy.
- He started his career at Barclays, before moving to Prudential for ten years, ending his tenure there as UK Public Affairs Director and Head of the Group Chairman's Office.

## BRIEFING NOTE 5

### BILATERAL WITH HIS EXCELLENCY VADYM PRYSAIKO, AMBASSADOR OF UKRAINE TO THE UNITED KINGDOM

<b>Key message</b>	<ul style="list-style-type: none"><li>• The Scottish Government condemns Russia's illegal war in Ukraine and is shocked and appalled at the violence and humanitarian crisis this has caused.</li><li>• Scotland stands for democracy, human rights and the rule of law at home and abroad. Scotland offers its unqualified support for Ukrainian sovereignty, independence and territorial integrity.</li><li>• Since the war against Ukraine began, over <b>24,000 people</b> sponsored by an individual in Scotland or the Scottish Government have arrived in the UK.</li><li>• <b>Over 19,400</b> of these arrivals are through the Scottish Government's successful Super Sponsor Scheme.</li><li>• We are proud to have been able to support so many people fleeing war by working with local government, the third sector and local volunteer communities.</li><li>• Building on the £200 million outlined by the Former DFM (John Swinney) this financial year, we are investing over £70 million next year to ensure people displaced by Russia's illegal invasion continue to receive a 'warm Scots welcome'.</li></ul>
<b>What</b>	Bilateral meeting with the Ukrainian Ambassador.
<b>Why</b>	This is an opportunity for FM to set out our support to Ukraine so far, and our continued solidarity with them as well as discussing support to Ukrainians in Scotland.
<b>Who</b>	His Excellency, Vadym Prysaiko, Ambassador of Ukraine to the United Kingdom.
<b>Where</b>	Scotland House London.
<b>When</b>	Tuesday 25 April 2023.
<b>Likely themes</b>	Scotland's response to Ukraine.
<b>Media</b>	Comms are being handled separately.
<b>Supporting official</b>	<b>[redacted]</b> , Senior Policy Delivery Manager for UK, EU and International Relations
<b>Attached documents</b>	Annex A: Recent Ministerial Engagement Annex B: Biography Annex C: Note of meeting between Former FM and Ambassador

## SUMMARY

### Lines to take:

- I would like to take this opportunity to re-iterate the Scottish Government's unwavering support for Ukraine.
- The Scottish Government condemns Russia's illegal war in Ukraine and is shocked and appalled at the violence and humanitarian crisis this has caused.
- I have been party to weekly Cabinet updates on the situation in Ukraine and the Scottish Government's response since February 2022.
- Scotland stands for democracy, human rights and the rule of law at home and abroad. Scotland offers its unqualified support for Ukrainian sovereignty, independence and territorial integrity.
- I understand a huge amount of work has been undertaken to date to welcome displaced people from Ukraine to Scotland.
- Since the war against Ukraine began, over **24,000 people** sponsored by an individual in Scotland or the Scottish Government have arrived in the UK.
- **Over 19,400** of these arrivals are through the Scottish Government's successful Super Sponsor Scheme.
- We are proud to have been able to support so many people fleeing war by working with local government, the third sector and local volunteer communities. We have been clear from the outset: Scotland is your home as long as need it.
- Building on the £200 million outlined by the Former DFM (John Swinney) this financial year, we are investing over £70 million next year to ensure people displaced by Russia's illegal invasion continue to receive a 'warm Scots welcome'.
- The Scottish Government has committed to over £5 million in humanitarian aid to help provide basic humanitarian assistance, including in health, water and sanitation, and shelter for those fleeing Ukraine to neighbouring countries.
- This included an immediate response of £4M and in February 2023, we committed to provide a further £1M focusing on cold weather resilience and recovery. We have also committed to provide funding of £300,000 to Scottish-based demining charity The HALO Trust.
- In addition to this financial support, the Scottish Government has also sent 5 consignments of medical supplies to Poland for onward transport to Ukraine, totalling 156 pallets worth almost £3M.

## **Background:**

### **Key points**

- Russia invaded Ukraine on 24 February 2022 and has since concentrated its activity in eastern and southern Ukraine.
- **[redacted]**
- During a debate on 23 February 2023, the Scottish Parliament reiterated its unqualified support for Ukrainian sovereignty, democracy independence and territorial integrity.
- It also acknowledged and celebrated the contribution displaced people from Ukraine make to Scotland and declare unequivocally that all Ukrainians who have made Scotland their temporary home will be welcome as long as they need.

## **TOP LINES**

### **A Humanitarian Crisis**

#### **The Scottish Government has repeatedly condemned Russia's unprovoked and illegal war against Ukraine.**

- Scotland is proud to support Ukraine. We do this by hosting displaced Ukrainians in communities and homes across the country, and through funding humanitarian projects, including most recently a further £1 million to provide generators and blankets.
- **[redacted]**
- Mr Robertson has written to you to ensure the Ukrainian people understand Scotland stands in solidarity with them.
- External Relations team will continue to support you and your CG team in Scotland and work closely with you and colleagues in Ukraine Resettlement Directorate to ensure the links between Scotland and Ukraine remain strong.

#### **The Scottish Government has committed to over £4 million in humanitarian aid to help provide basic humanitarian assistance, including in health, water and sanitation, and shelter for those fleeing Ukraine.**

- This included an immediate response of £4M. Of this: we contributed £2M to the Disasters Emergency Committee Ukraine Humanitarian Appeal; the British Red Cross and SCIAF each received £500,000; and we awarded £1M to UNICEF.
- We have subsequently committed to provide funding of £300,000 to Scottish-based demining charity The HALO Trust.
- In addition to this financial support, the Scottish Government has also sent 5 consignments of medical supplies to Poland for onward transport to Ukraine, totalling 156 pallets worth almost £3M.

**At the debate in February to mark the one-year anniversary of the Russian invasion of Ukraine we announced a further £1M contribution in humanitarian support for the people of Ukraine**

- This funding will be focused on supporting cold-weather resilience following Russian attacks on Ukrainian infrastructure and on enabling recovery as warmer weather returns.

**Scotland's response and Super Sponsor Scheme**

**The Scottish Government took the decision to put in place a super sponsor scheme to provide a safe and fast route to those fleeing this illegal war**

- The scheme opened to applications on 18 March 2022 and paused to new applications on 13 July 2022.
- Almost 32,600 visas were issued by 28 March, with more than 19,400 arrivals over 12-months.
- Numbers in welcome accommodation continue to reduce from a high of around 7,200 in early November 2022 to around 5,375 in hotel or ship accommodation in mid-March 2023.

**More than 5,000 super sponsor arrivals matched to hosted or social housing accommodation by mid-March, and we are providing staff and resources to councils to increase pace of activity.**

- We have provided 24 dedicated 'matching officers' on loan to seven local authorities, having extended the offer to all local authorities.
- We have made £11.2 million available to help councils increase capacity of resettlement teams, refurbish property and increase the pace of checks.
- We have developed a digital matching tool which is currently being piloted by City of Edinburgh and Glasgow City councils.

**On 28 November, we launched a campaign seeking volunteer hosts with a simplified online application portal.**

- A new webpage has been set up to provide prospective volunteers with clear information on the application process and what is expected should they be matched with a displaced person from Ukraine already in Scotland.
- Hosts will register their details online which will then be sent to their local authority, where checks are undertaken to ensure that homes offered are suitable to host displaced people from Ukraine.

**Funding**

**Last financial year (2022-23) the Scottish Government spent around £200 million to deliver the 'Warm Scots Welcome' programme.**

- This financial year(2023-24), the Scottish Government will invest a further £70 million in revenue spending to help displaced people settle in Scotland.

[redacted]

### **Temporary Welcome Accommodation**

**The Scottish Government provides welcome accommodation and support in partnership with councils in 21 local authorities across Scotland.**

- All arrivals requiring access to temporary 'welcome' accommodation are triaged and support provided by local resettlement teams, including health and trauma-support.

**MS Ambition has now been fully disembarked and we are committed to supporting full disembarkation of MS Victoria by 11 July.**

- On 24 March 2023, we successfully completed the disembarkation of the MS Ambition. This followed three months of intensive working between SG, Glasgow City Council, the Consul and the third sector to deliver the joint disembarkation strategy.
- The Scottish Government has accepted the City of Edinburgh's request for a 4-week extension of the MS Victoria's contract until 11 July.
- [redacted]
- The Minister for Culture, Europe and International Development with Special Responsibility for Refugees from Ukraine alongside Ukraine's Consul General in Edinburgh visited the MS Ambition on 15 February 2022 to speak with the guests on board.

### **Longer Term Accommodation**

**The £50 million Ukraine Longer Term Resettlement Fund was announced by the First Minister on 22 September.**

- Through the fund, Local Authorities and Registered Social Landlords can apply for funding to bring void properties back into use for displaced people from Ukraine.
- The homes provided will be good quality affordable homes and will be available for rent for up to three years, after which some will continue to be available as social rented homes.
- To date, five projects have been approved resulting in a total in a total of 769 homes.
- There is a healthy pipeline of proposals and a growing interest in the scheme from local authorities.

### **Modular accommodation**

[redacted]

### **Private Rented Sector**

**In response to recommendations made through the Review of the Super Sponsor Scheme (November, 2022) we are developing a package of support for local authorities to assist Ukrainians in accessing properties in the private rented sector.**

- This will complement pre-existing support, including deposit and furniture grants, delivered through local authorities.

### **Host accommodation**

**We are working closely with all local authorities to speed up the matching process and increase the numbers of displaced people moving into host accommodation, including enhancing teams to boost capacity, whilst remaining mindful of any safeguarding risks.**

- Accommodation checks are also being carried out to ensure the properties being offered are appropriate for matched guests.

### **Employment**

**Access to work is a key marker of integration, and as part of supporting displaced people to integrate into communities, we are working with partners to ensure those arriving can seek and secure employment.**

- Displaced people from Ukraine bring with them a range of skills and experience, which are assets to Scottish employers and our economy.
- It is estimated that many of those arriving to the UK from Ukraine, around 80%, have been educated to degree level or above. This applies to the people who completed the survey rather than representative of all Ukrainians who live in the UK.

**Intervention 6 of the Review of the Super Sponsor scheme focused on enhancing the employability support offer for arrivals.**

- The intervention aims to improve coordination between local authorities, agencies including Skills Development Scotland and DWP and the third sector to provide focused support to arrivals, including through job fairs and support for recognition of skills and qualifications.
- We recently published report by the Office of the Chief Economic Adviser which shows the economic contribution of migrants. It suggests that although numbers of UDPs in employment are small, they are making a positive impact on our economy.

### **Healthcare**

**Those arriving from Ukraine have the same right to access NHS healthcare services as everyone else in Scotland.**

- Local resettlement teams are working across our welcome accommodation estate to ensure displaced people understand how to access primary healthcare, including GPs, dentists, optometrists and pharmacists.
- The Scottish Government has provided clear guidance to all health boards to ensure arrivals can access healthcare on equal terms to existing populations, regardless of whether they are accommodated in temporary welcome accommodation.

**We are committed to providing trauma support to arrivals, recognising the long-lasting impact, especially on children, of the sudden and escalating war in Ukraine.**

- The Scottish Government worked with key partners to develop a 'Psychological Wellbeing Advice Pack', available in Ukrainian, for displaced people, volunteer hosts and support services.
- Since 2018, the Scottish Government has invested over £6 million in a National Trauma Training Programme, led by NHS Education for Scotland.

## **Education**

**All children in Scotland, including those arriving from Ukraine, are entitled to an education. For thousands of new arrivals, this is now an important and positive part of daily life in Scotland.**

- Following a survey of local authorities in March 2023 there were more than 3,100 displaced Ukrainian children enrolled in primary and secondary education across Scotland.

## **English for speakers of other languages (ESOL)**

**The Scottish Government aims to support high quality, relevant, appropriate and accessible ESOL provision that meets the learner's need.**

- ESOL funding is currently provided through colleges. Colleges are instructed to work with Community Planning Partnerships to determine the level of need for provision and agree with partners how this can be met.

**[redacted]**

## RECENT MINISTERIAL ENGAGEMENT

## ANNEX A

Cabinet Secretary and the Edinburgh Consul, on 6 April 2023.

The Cabinet Secretary for Social Justice attended her first meeting with the Ukrainian Consul in Edinburgh on 6 April 2023.

The following points were raised:

- The Cabinet Secretary restated the Government's commitment to support Ukraine in the face of Russia's ongoing invasion and to support those who had sought refuge in Scotland and thanked the CG for his role in the disembarkation of Ambition.
- The CG reflected on the Ambition experience and the importance of support provided by wider LAs (for example by having them visit the ship) as he recognised the housing pressures in Edinburgh.
- **[redacted]**

DRAFT

## BIOGRAPHY

## ANNEX B

**Vadym Volodymyrovych Prystaiko** (Ukrainian: Вадим Володимирович Пристайко; born 20 February 1970) currently serving as Ukraine's ambassador to the United Kingdom. He was appointed by President Volodymyr Zelenskyy on 20 July 2020.

Prystaiko is a former Minister of Foreign Affairs of Ukraine and former Deputy Foreign Minister of Ukraine. Between 2014 and 2019, he was also the Ukrainian Ambassador to Canada between 2012 and 2014 and the head of the Mission of Ukraine to NATO from 7 July 2017 to 29 August 2019. In May 2019, Prystaiko served as the Deputy Head of the Presidential Administration for foreign policy issues. He is a member of the National Security and Defence Council of Ukraine. He is also former Vice Prime Minister for European and Euro-Atlantic Integration of Ukraine, serving from 4 March 2020 to 4 June 2020.

The Former First Minister met with Prystaiko on a number of occasions, including at Bute House in August 2022. The note of this meeting is attached in the Annex D.

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## **NOTE OF MEETING BETWEEN FFM AND AMBASSADOR PRYSTAIKO ANNEX C**

The First Minister met the Ukrainian Ambassador to London, HE Vadym Prystaiko and **[redacted]**, acting Consul General on 24 August 2022, Ukrainian Independence Day. The meeting begin with FM presenting a letter for President Zelenskyy, expressing Scotland's solidarity with Ukraine.

### Ukrainians in Scotland

The Ambassador was in Scotland for a few days, including to unveil the opening of Ukrainian audio guides for Edinburgh Castle. **[redacted]** FM shared she recently attended herself with the Dnipo kids**[redacted]**

FM reiterated that Scotland would be home for as long as they needed.

FM raised that Scotland had welcomed a significant number of Ukrainians resulting in a requirement to provide temporary accommodation. **[redacted]**

### Reconstruction

**[redacted]**

### Scotland/Ukraine Opportunities

**[redacted]**


The meeting ended with FM highlighting that the Scottish Government would support Ukraine wherever we could, within our powers.

**[redacted]**

### **International Relations**

## BRIEFING NOTE 6

### AMBASSADORS' DINNER, HOSTED BY THE GERMAN AMBASSADOR 25 APRIL 2023

<b>Key message</b>	The Scottish Government is a positive, cooperative partner with an internationalist outlook and strong European values.
<b>What</b>	A private roundtable dinner with Ambassadors from EU and the world, hosted by the German Ambassador. The First Minister will provide opening remarks and the German Ambassador will then facilitate an open discussion.
<b>Why</b>	To set out your policy prospectus and desire to work co-operatively with priority international partner countries.
<b>Who</b>	<p>You will be hosted by <b>Miguel Berger, German Ambassador to the UK</b> since May 2022. Berger joined the German diplomatic service in 1988. His first postings included Bucharest, Mexico City, and the Palestinian Territories. From May 2020-Jan 2022, Berger was State Secretary, the most senior position for a diplomat</p>  <p><b>Bios of other guests and a seating plan will be shared separately with FMPO the day before the engagement.</b></p>
<b>Where</b>	German Ambassador's Residence, 22 Belgrave Square, London, SW1X 8PG
<b>When</b>	18.55 arrival for 19.00 start, Tuesday 25 April 2023
<b>Likely themes</b>	[redacted]
<b>Media</b>	Social Media and photo – see visit comms plan.
<b>Supporting official</b>	John Webster – Head of Scotland House London 07938 494 378
<b>Attached documents</b>	Agenda/Summary [redacted] [redacted] [redacted] [redacted]

## AGENDA AND SUMMARY

You have been invited to a private dinner with Heads of Mission from EU, G7 and other countries of importance for SG's international engagement. You will be hosted by the German Ambassador.

You will have the opportunity to establish your ambitions as First Minister, both domestically and internationally. You will do this through your opening remarks and then a Chatham House rule discussion, facilitated by the German Ambassador.

18.30-19.00 – Guests arrive

18.55-19.00 – First Minister arrives and is greeted by Ambassador Berger. They walk upstairs to the dining room and greet guests.

19.00-19.05 – Guests take their seats

19.05-19.10 – Ambassador Berger welcomes the First Minister and guests

19.10-19.20 – First Minister opening remarks

19.20-21.00 – Dinner is served and discussion begins, facilitated by the German Ambassador

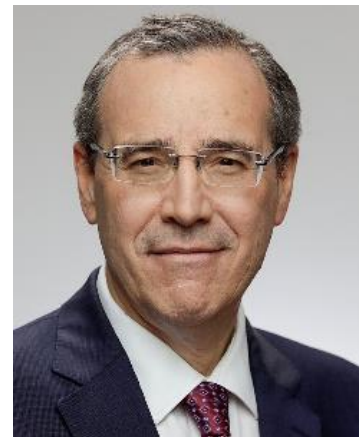
**Menu, attendees (with bios) and a seating plan will be provided on Monday 24 April in advance of the dinner.**

## CHAIR BIOGRAPHY

You will be hosted by **Miguel Berger, German Ambassador to the UK** since May 2022.

After studying economics at the University of Mannheim, Berger joined the German diplomatic service in 1988. His first postings included Bucharest and Mexico City. Between 2002-4 he headed the German representative office in the Palestinian Territories.

In Berlin he worked as head of the Parliamentary and Cabinet Council, Commissioner for Global Issues, External Energy and Climate Policy and Regional Commissioner for the Near and Middle East as well as the Maghreb. From May 2020 until Jan 2022, Berger acted as State Secretary.



[redacted]

**Climate leadership**

[redacted]

[redacted]

DRAFT

**Scotland-Germany mutual interests on hydrogen**

- Understand that there is a huge requirement in Germany for green hydrogen to serve the decarbonisation needs of industry.
- **[redacted]**
- Scotland can be a reliable partner in contributing to Europe's energy security in the medium and long term.

**Educational, Scientific and Cultural Mobility**

- We are acutely aware of the negative effects of the loss of mobility for cultural, educational and scientific cooperation, in particular for young people.
- School groups, students, interns, researchers and creative professionals from Europe are all experiencing difficulties coming to the UK.
- **[redacted]**
- Together with the Goethe [Ger-ter] Institute, we would like to find ways to facilitate internships in Scotland – in particular for teaching students, who have been supporting German language learning in Scottish schools.
- The Culture and Education Committee of the European Parliament will travel to Scotland in June – mobility for young people and the creative sector is a priority for discussion.

**Higher Education and Research Cooperation**

- Germany is Scotland's top partner for research in the EU, and we value our scientific partnerships with Germany.
- **[redacted]**
- We have developed strong relationships with the German Research Foundation, the German Academic Exchange Service and the U15 Group, and are exploring frameworks for cooperation.

**UK-Germany relationship**

- The Bilateral Cultural Commission will be an important forum for strengthening school partnerships and exchanges with Germany – the inclusion of Scotland, Wales and Northern Ireland in this work will expand opportunities for schoolchildren.

**UK-Germany bilateral timeline**

**[redacted]**

[redacted]

DRAFT

[redacted]

DRAFT

## **EU CURRENT AFFAIRS ANNEX E**

### **LINES TO TAKE**

- Scotland remains a proud European nation. Our vision of Scotland is as an outward-looking nation, committed to good global citizenship, with a strong, respected voice in the world.
- Scotland voted overwhelmingly to remain in the European Union. We want the closest possible relations with the EU and our European neighbours based on shared values: human dignity, freedom, democracy, equality, the rule of law, and respect for human rights.
- This Scottish Government believes the best future for Scotland is to be an independent country and member of the EU but until that point in time we will seek to align with the EU where appropriate and in a manner that contributes towards maintaining and advancing standards across a range of policy areas, safeguarding the prosperity and wellbeing of the people of Scotland and maintaining Scotland's inclusive, outward-facing reputation.

### **BACKGROUND**

#### **Swedish Presidency**

Sweden has the Presidency of the Council of the EU until June 2023. They are the last of the current trio programme, which included France and the Czech Republic. The next trio will be Spain (July-December 2023), Belgium (January-June 2024) and Hungary (July-December 2024).

Sweden's four main priorities are:

5. Security – unity: including further support to Ukraine.
6. Competitiveness: including marking the 30th anniversary of the single market.
7. Green & energy transitions: includes addressing the energy crisis.
8. Democratic values and the rule of law: in the EU and globally.

#### **Ukraine**

On 25th February 2023, the European Council adopted its 10th package of sanctions against Russia and those that support it in its illegal aggression against Ukraine. The sanctions target the core of Russia's economy and depriving it of critical and modern technologies and markets, significantly curtailing its ability to wage the war. In total, the sanctions target 1,473 and 207 entities with travel bans, asset freezes and a prohibition to provide funds.

Following the recent EU-Ukraine Summit (3 February 2023), the presidents of the European Commission and Council delivered supportive but cautious statements about eventual EU membership for Ukraine. A joint statement issued after the Summit by Presidents Zelensky, Von der Leyen and Charles pledged said: "the future of Ukraine and its citizens lies within the European Union". The statement goes on to emphasise the need for Ukraine to fulfil agreed criteria for EU membership.

**[redacted]**

[redacted]

[redacted]

**Data Protection**

[redacted]

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- I would like to take this opportunity to re-iterate the Scottish Government's unwavering support for Ukraine.
- The Scottish Government condemns Russia's illegal war in Ukraine and is shocked and appalled at the violence and humanitarian crisis this has caused.
- I have been party to weekly Cabinet updates on the situation in Ukraine and the Scottish Government's response since February 2022.
- Scotland stands for democracy, human rights and the rule of law at home and abroad. Scotland offers its unqualified support for Ukrainian sovereignty, independence and territorial integrity.
- I understand a huge amount of work has been undertaken to date to welcome displaced people from Ukraine to Scotland.
- Since the war against Ukraine began, over **24,000 people** sponsored by an individual in Scotland or the Scottish Government have arrived in the UK.
- **Over 19,400** of these arrivals are through the Scottish Government's successful Super Sponsor Scheme.
- We are proud to have been able to support so many people fleeing war by working with local government, the third sector and local volunteer communities. We have been clear from the outset: Scotland is your home as long as need it.
- Building on the £200 million outlined by the Former DFM (John Swinney) this financial year, we are investing over £70 million next year to ensure people displaced by Russia's illegal invasion continue to receive a 'warm Scots welcome'.
- The Scottish Government has committed to over £5 million in humanitarian aid to help provide basic humanitarian assistance, including in health, water and sanitation, and shelter for those fleeing Ukraine to neighbouring countries.
- This included an immediate response of £4M and in February 2023, we committed to provide a further £1M focusing on cold weather resilience and recovery. We have also committed to provide funding of £300,000 to Scottish-based demining charity The HALO Trust.
- In addition to this financial support, the Scottish Government has also sent 5 consignments of medical supplies to Poland for onward transport to Ukraine, totalling 156 pallets worth almost £3M.

[redacted]

**Additional Briefing**

[redacted]

[redacted]

DRAFT

## Minute 1 – Meeting with Mayor London

**From:** Webster J (John) <[John.Webster@gov.scot](mailto:John.Webster@gov.scot)>

**Date:** Wednesday, 03 May 2023 at 4:59 pm

**To:** [redacted]@gov.scot>

**Subject:** FW: Rent freeze Mayor of London

J,

[redacted] the discussion focused on three topics. Cost of living crisis – which zeroed in on the housing crisis and rent controls – talent attraction/migration and climate.

The first of those was the most substantive, and the note from the Perm Sec below covers that off in some detail. Pat has the 2 pager from Sean Neill (sent to him 8.51pm on 26 April).

On talent attraction and migration there was a short discussion about shared challenges in respective labour markets, in tourism and other service sectors and in attracting talent to high value jobs.

On climate, the Mayor expressed an interest in identifying a future opportunity to share a platform on climate from respective positions as Chairs of U2 and C40 coalitions. But no commitment on follow up (perhaps a reference in the letter to cooperation on climate – in particular in the context of respective Chairs of C40 and U2 coalitions – being a subject officials can stay in touch on in the months to come and in the lead up to COP).

John Webster | Head of Scotland House London | Directorate for External Affairs | Scottish Government | 58 Victoria Embankment | London | EC4Y ODS | M: [redacted]  
[john.webster@gov.scot](mailto:john.webster@gov.scot) |

**From:** John-Paul Marks <[John-Paul.Marks@gov.scot](mailto:John-Paul.Marks@gov.scot)>

**Sent:** 24 April 2023 20:30

**To:** Neill S (Sean) <[Sean.Neill@gov.scot](mailto:Sean.Neill@gov.scot)>; Director for Local Government and Housing <[DirectorForLocalGovernmentandHousing@gov.scot](mailto:DirectorForLocalGovernmentandHousing@gov.scot)>

**Cc:** First Minister <[FirstMinister@gov.scot](mailto:FirstMinister@gov.scot)>; [redacted] <[redacted]@gov.scot>; Webster J (John) <[John.Webster@gov.scot](mailto:John.Webster@gov.scot)>; McAllister C (Colin) <[Colin.McAllister@gov.scot](mailto:Colin.McAllister@gov.scot)>; Permanent Secretary <[PermanentSecretary@gov.scot](mailto:PermanentSecretary@gov.scot)>; DG Communities <[DGCommunities@gov.scot](mailto:DGCommunities@gov.scot)>

**Subject:** Rent freeze Mayor of London

Hi Sean, hope well.

I joined FM in meeting the Mayor of London today, which went well.

The Mayor was keen to learn more about Scotland's experience of implementing our temporary rent cap and eviction moratorium last October; and the subsequent extension and changes this year too. The Mayor was keen to commend this progressive intervention to support tenants in handling the cost of living; alongside wider reforms to build more social housing too. [redacted]

FM appreciated the feedback; and we offered to share our experience. We flagged the reforms had been implemented quickly - credit you and the team - and although we have a petition now made; we have not been swamped by objections, JRs or legal objections - not least given the temporary nature and broad consensus across most parties in the Scottish Parliament.

**[redacted] [redacted][redacted]**

John and **[redacted]** you can then weave this into a wider personal note from FM to the Mayor which also includes thanking him for the kind reception at City Hall; welcoming the Mayor, his family and team to Scotland anytime; and thanking the Mayor for the opportunities to learn from each-other and collaborate, particularly on Net Zero, FDI investment (following up the contact with the City of London thanks John), trade and housing reform - and on this last point, you can enclose the note on housing reform from Sean as per above given the Mayor's particular interest.

Hope that works well, many thanks for your help, best wishes, JP

## Note 2 – Meeting with Ambassador Pedro Serrano, EU Ambassador to the UK

**From:** Webster J (John)

**Sent:** 25 April 2023 08:40

**To:** Johnson M (Martin) <[Martin.Johnson@gov.scot](mailto:Martin.Johnson@gov.scot)>

**Cc:** Strang F (Frank) <[Frank.Strang@gov.scot](mailto:Frank.Strang@gov.scot)>; MacKinnon D (Donna) <[Donna.MacKinnon@gov.scot](mailto:Donna.MacKinnon@gov.scot)>; Smith J (Joni) <[Joni.Smith@gov.scot](mailto:Joni.Smith@gov.scot)>; Wightman S (Scott) <[Scott.Wightman@gov.scot](mailto:Scott.Wightman@gov.scot)>

**Subject:** FW: Erasmus

**Importance:** High

Martin,

To note below.

Meeting with Serrano was v curtailed (late starting and had to finish early to enable transit to Parliament through an Extinction Rebellion protest).

What time there was, was useful. A very warm exchange. **[redacted]**

In addition to point noted below, he said that EU/UK relations had entered a new phase post Windsor framework. Early days, and much work to be done on eg. Horizon and TCA **[redacted]**

Best,

John Webster | Head of Scotland House London | Directorate for External Affairs | Scottish Government | 58 Victoria Embankment | London | EC4Y ODS | M: (0044) : **[redacted]**  
[john.webster@gov.scot](mailto:john.webster@gov.scot) |

**From:** John-Paul Marks <[John-Paul.Marks@gov.scot](mailto:John-Paul.Marks@gov.scot)>

**Sent:** 24 April 2023 21:39

**To:** Griffin J (Joe) <[Joe.Griffin@gov.scot](mailto:Joe.Griffin@gov.scot)>; DG Education & Justice <[dgej@gov.scot](mailto:dgej@gov.scot)>

**Cc:** First Minister <[FirstMinister@gov.scot](mailto:FirstMinister@gov.scot)>; Webster J (John) <[John.Webster@gov.scot](mailto:John.Webster@gov.scot)>; McAllister C (Colin) <[Colin.McAllister@gov.scot](mailto:Colin.McAllister@gov.scot)>; : **[redacted]** <: **[redacted]** [@gov.scot](mailto:@gov.scot)>

**Subject:** Erasmus

Hi Joe, hope well.

We met the EU Ambassador to the UK in Westminster with FM and colleagues copied this afternoon and FM reiterated a number of areas of shared partnership and collaboration with Europe including on higher education and academic research; reinforcing Scotland's support to see progress being made on Horizon, which remains subject to UKG negotiations with the EU - although some progress there was suggested.

On Erasmus, FM noted concerns about its loss post Brexit and our SG pledge and intent to replace it when affordable to do so.

**[redacted]**

Best wishes, JP

### **NOTE 3 - FIRST MINISTER'S MEETING WITH UKRAINE AMBASSADOR TO THE UK – TUESDAY 25 APRIL**

Location: Scotland House London

Time: 12:00-12:45

#### **Attendees:**

- Vadym Prystaiko (VP), Ukraine Ambassador to the UK
  - **[redacted]** Ukraine Embassy
- **Accommodation for displaced Ukrainians**
    - The meeting began with a focus on accommodation for Ukrainian refugees. **[redacted]**
    - FM acknowledged the important role this temporary accommodation had played but that it is essential that appropriate permanent accommodation is identified.
    - FM thanked the Ambassador for his understanding as Scottish Government and partners work hard to provide the best welcome Scotland can, noting the importance Scotland places on warmly welcoming and providing opportunities to displaced Ukrainians.
    - **[redacted]**
    - They discussed the importance of displaced Ukrainians being accommodated in such a way as to create Ukrainian communities, whilst ensuring Ukrainians and Scots have the opportunity to mix and build connections. FM noted the challenge of providing suitable accommodation in locations that can offer this. He also acknowledged that many Ukrainians naturally would prefer to stay in Glasgow or Edinburgh closer to larger Ukrainian communities, where suitable accommodation can be in limited supply.
  - **SG support for Ukraine**
    - **[redacted] FM asked for an update on the provision of decommissioned ambulances to Ukraine.**
  - **Business links**
    - **[redacted] FM asked for officials to assist the Embassy in their work to attract Scottish businesses to participate in the conference.**
    - **[redacted]**
  - **People-to-people links**
    - VP and FM reflected on **[redacted]** and people-to-people links. They also reflected on cultural links, such as the example of the Ukraine Freedom Orchestra performing in Edinburgh. FM suggested that the Edinburgh festivals was a high-profile platform to celebrate these cultural ties and it could be an opportune time for the Ambassador to next visit Scotland.

**Actions**

- Officials to provide an update to FM on the provision of decommissioned ambulances to Ukraine.
- DITI officials to support the Embassy's efforts to attract Scottish businesses to the Ukraine Recovery Conference.
- Ukraine Resettlement Team to consider the proposition of modular housing  
**[redacted]**
- DEXA and DITI to consider options for an FM/Ambassador event focused on business links, in advance of a future Ambassador visit.

**[redacted]**

Senior Policy Delivery Manager; UK, EU, International Relations  
Scotland House London

## COMBINED ANNEX - PHOENIX AND TESCO MEETING NOTES

### Note 4 FIRST MINISTER'S MEETING WITH TESCO CEO – TUESDAY 25 APRIL

Location: Scotland House London

Time: 08.30-09.15

#### Attendees:

- Jason Tarry (JT), CEO, Tesco UK and ROI
  - Tony McElroy (TM), Tesco Head of Comms & Devolved Government Relations
  - Mark Hallan (MH), Global Investment Director, SDI
- FM opened the meeting, noting the work that Tesco do across communities in Scotland– in the FM's constituency and more widely.
  - Tesco expressed their gratitude for the FM's time and the opportunity to meet so early in his tenure **[redacted]** JT outlined Tesco's core mission as a business, focussing on its service to customers, workforce and the planet. Tesco has a presence in almost all communities in Scotland, including rural and island, and is a top Scottish and UK employer as a result. JT underlined Tesco's commitment to achieving net zero by 2035.
  - **[redacted]**
  - **On cost crisis:**
    - FM noted the work that Tesco does throughout communities in Scotland, including the Tesco Food Collection.
    - JT highlighted Tesco's position as biggest private sector employee in UK and in Scotland and the work the company has done to mitigate impact of the cost crisis on their workforce, including by ensuring above living wage pay rises.
    - **[redacted]**
    - JT highlighted increased costs of doing business as well as the cost of living crisis, its impact on customers and how this impacts Tesco's business. JT set out the challenges posed by Non Domestic Business Rates and a desire that policies better reflect the split of online/physical business.
    - FM outlined related elements of his policy prospectus, noting in particular the desire to create a "new deal" with business, adding that Cab Sec Wellbeing Economy will co-chair a review group with business.
    - FM noted that energy costs were discussed in his meeting with the PM.
    - **[redacted]**

#### Actions:

- **[redacted]**
- **[redacted]**

**[redacted]**

Deputy Head, Economic Diplomacy  
Scotland House London

## NOTE 5 - PHOENIX

**From:** Mark Hallan <Mark.Hallan@scotent.co.uk>

**Sent:** 25 April 2023 15:07

**To:** [redacted]@scotent.co.uk>; [redacted]@scotent.co.uk>; [redacted]@scotent.co.uk>; [redacted]@scotent.co.uk>

**Cc:** [redacted]@scotent.co.uk>

**Subject:** Phoenix

Hi

([redacted] to note capital angle)

Positive meeting with the 2 Andy's. In no particular order, some of the discussion points included;

- [redacted]
- They emphasised their long term commitment to Scotland, citing Edinburgh as their largest office and the decision to locate senior leadership roles in the city (nb Phoenix Board meeting being held in Edinburgh tomorrow/Thursday)
- [redacted]
- Andy B spoke of important role Edinburgh has in terms of company's digital development, and the creation of their digital innovation centre. Invited FM to visit. Also stressed the importance of future pipeline of digital talent
- Mention of Phoenix Insights, the Think Tank arm they established 18 months ago. They're doing some Scottish specific research, including stuff on skills & employment. [redacted] FM keen for connection to be made with SG Director General Education & Skills and SG OCEA Officials
- [redacted] [redacted]

Overall, a very worthwhile meeting. [redacted], thanks for securing it and to you & [redacted] for briefing.

Mark

**Mark Hallan**

Director, Global Investment

Scottish Development International | [www.sdi.co.uk](http://www.sdi.co.uk)

## **FIRST MINISTER'S MEETING WITH PHOENIX GROUP CEO (PHOENIX AND STANDARD LIFE) - TUESDAY 25 APRIL**

Location: Scotland House London

Time: 12:00-12:45

### **Attendees:**

- Andy Briggs MBE (AB), CEO of Phoenix Group
- Andy Curran (AC), CEO of Savings and Retirement (& Group Director of Scotland), Phoenix Group
- Tim Fassam (TF), Director of Public Affairs, Phoenix Group
- Mark Hallan (MH), Global Investment Director, SDI

### **[redacted]**

- FM opened the meeting by highlighting the desire to strengthen the relationship between Scotland and London, and on this point there was a brief reflection on the City of London engagement hosted by AC in January which had the former First Minister in attendance.
- AB provided an introduction to Phoenix, citing three areas they are keen to explore in relation to Scotland.
  - Firstly, Phoenix Group's footprint in Scotland. Phoenix employ around 7,000 people in total with 1800 of these in Scotland. Their employees are based in both Edinburgh & Glasgow.
  - Secondly, Phoenix are conscious that despite their high pension assets, only 9% is invested into productive areas such as green infrastructure.
  - Thirdly, a key focus for Phoenix Group is on the Phoenix Insights Think Tank for over 50s. There is a lot of research being done into older workers and sustainable investors.
- **On job retention in Scotland:**
  - AC explained the jobs in Edinburgh are generally good quality jobs with a range of roles including managerial, and building links with school to employ more school leavers.
  - FM highlighted the importance of a diverse workplace contributing to economic growth and this being a priority for Scotland, though conscious that tighter immigration rules has an impact on people in the UK having to work longer. On this point, AB acknowledged the importance of supporting older workers, whilst ensuring older workers are in employment as a matter of choice rather than economic pressures.

### **[redacted]**

- **Productive assets in Scotland**
  - AC explained Phoenix Group has the assets to invest in Scotland and their priority areas include people and infrastructure with good social impact.

- FM was interested in the area of productive assets and the barriers stopping Phoenix from making those productive, slow-burn investments. **[redacted]**
- **[redacted]**

**[redacted]**

- **On research and innovation**

- FM highlighted that SG is keen to grow its digital skills base and capability, so the innovation hub in Standard life house is good for attracting talent from school age. In addition to this, customers are trying to be more digitally savvy so there is a need to develop closer relationships with universities**[redacted]**
- TF provided examples of work currently being done such as partnership model testing through an over 50s job fair in collaboration with the job centre and Phoenix. Want to work in partnership with SG as they have a willingness to do new things.
- FM highlighted that the policy prospectus addresses the need to target investment to those who need it most. **[redacted]**

**Actions:**

- There was an agreed action to arrange a follow-up meeting in Edinburgh to further discuss options for Phoenix to increase its investment in Scotland. FM agreed he would be keen to participate (diary permitting), with the Cab Sec and officials from SE & SG also attending. (Relevant SDI account manager is now discussing with the company).

**[redacted]**

Policy Officer, Economic Diplomacy and Engagements  
Scotland House London

## **First Minister's meeting with the Prime Minister, 24 April 2023**

### **Summary**

1. The FM's first in-person meeting with the PM. FM was accompanied by the Permanent Secretary, Head of Scotland House London, John Webster, Colin McAllister and APS [redacted]. The PM was accompanied by his Private Secretary, [redacted] and SpAds Innes Taylor and Jack Sellers.
2. A short meeting hosted in the PM's Westminster Office was limited to 20 minutes at short notice by the PM. The PM briefed the FM on the Sudan crisis. FM raised concerns over UKG undermining devolution, and in that context raised DRS, S35 on GRR, the recent Foreign Secretary letter and guidance to UK Heads of Mission on SG international activity. FM called on the PM to grant a S30 order on a second independence referendum. The meeting closed with a discussion on the cost of living crisis.

### **Detail**

#### **Sudan**

3. The PM reflected on the evacuation of all UK diplomatic staff and their families from Sudan over the weekend. This had been a complex but successful operation. The situation in Sudan remained fluid and highly complex. Evacuation of UK citizens was not straightforward. There was no accurate picture of how many UK citizens remained in Sudan or where they were located. The UKG had no operational presence in country to direct operations – and no military force to guarantee operational protection. There was no direct line into either side to the conflict. UKG continued to work with Allies.

#### **Devolution**

4. FM raised growing concerns over the now well established pattern of UKG undermining devolution. FM highlighted the moving of a S35 order on GRR legislation, the ongoing refusal to grant a S30 order on a second Independence Referendum, delays on an exemption to the Internal Market Act (IMA) for the SG DRS scheme, and a recent letter and guidance from the Foreign Secretary to UK Heads of Mission overseas on the subject of SG international activity.

#### **DRS**

5. FM noted that relevant sectors had been broadly supportive of his decision to delay implementation until late 2024. This provided space to work on detail – but the main hurdle was the need for an exemption to the UK's IMA legislation. FM emphasised the important opportunity for Scotland to deliver DRS in a way DEFRA and the rest of the UK could learn from - consistent with NZ ambitions and also respecting the opportunity of devolution for variation in schemes.
6. PM referred to further UKG Ministerial correspondence requesting more details on the DRS scheme including with regards the scope and schedule announced

last week. PM suggested he would consider the case for the UK IMA exemption once that detail had been received. FM stressed the need to get this resolved urgently to provide certainty given the level of investment and need to support CSL, retailers, producers and consumers to prepare for successful delivery from March 2024. **Perm Sec has written to policy leads on action points arising.**

### **Foreign Secretary's Letter**

7. FM stressed that the FS letter to his Heads of Mission was a clumsy intervention that further undermined devolution and risked damage to Scotland's interests internationally. The letter mischaracterised the existing good operational relationship between SG and UKG officials overseas, and provided incorrect guidance to Heads of Mission on the extent and effect of devolution in this respect. Responding, the PM said that this was necessary to enable Heads of Mission to do their jobs properly and work better with Devolved Governments. FM was clear that this guidance risked the very opposite effect.

### **Tax on Scotch Whisky**

8. FM raised the recent levy of increased tax on Scotch Whisky – which had been met with a furious response from the industry. FM stressed that he would continue to engage the drinks industry in Scotland on important public health efforts, but the tax levied on the industry had to be fairer – by comparison to other parts of the UK drinks industry, this was not fair on whisky. FM expressed concern that the whisky sector – energy intensive in nature – had not been included in the support for businesses on energy bills. The PM noted that tax on whisky had been frozen for 9 years – and that levels of taxation on whisky were still at a historic low. The PM stressed that the energy bill scheme was not sector specific, but universally applied – and that the spirits sector more broadly did not meet the criteria. The PM promised to share those criteria with the SWA.

### **Cost of Living**

9. FM raised concerns that more was needed to help the most vulnerable households during the cost of living crisis. The PM set out a range of additional supports that were due to roll out starting later this week – including a one off payment of £945 to (the PM said) an est. one third of all UK households, and additional support for pensioners and the disabled.

### **Next Steps**

10. The PM said that he wanted to maintain a dialogue with FM, but did not commit to a date for the next discussion.

John Webster  
Head of Scotland House London

25<sup>th</sup> April 2023